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THE
LEGISLATIVE ASSEMBLY DEBATES

(Official Report)

Volume VI, 1933

(5th September to 14th September, 1933)

SIXTH SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1933



NEW DELHI
GOVERNMENT OF INDIA PRESS
1934

Legislative Assembly.

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THE HONOURABLE SIR SHANMUKHAM CHETTY, K.C.I.E.

Deputy President:

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MR. B. SITARAMARAJU, M.L.A.

MR. GAYA PRASAD SINGH, M.L.A.

KUNWAR HAJEE ISMAIL ALI KHAN, O.B.E., M.L.A.

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LEGISLATIVE ASSEMBLY.

Tuesday, 5th September, 1933.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

STATUS OF TEACHERS OF THE EAST INDIAN RAILWAY INDIAN SCHOOLS.

603. ***Mr. A. Das :** (a) Are Government aware that on the 19th February, 1932, the United Provinces Government in reply to question No. 21 (c) by Rao Krishnapal Singh stated that the East Indian Railway Rules did so apply and “ they are bound to observe them under clause 4 of their agreement ” ?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state why the East Indian Railway Leave Rules do not also apply to those teachers of Indian Schools who were in service prior to March 31st, 1930 ?

(c) Is it a fact that in 1931 the Headmaster of the East Indian Railway Indian High School, Asansole, was granted 6 months' leave on full pay, and 7 months' leave on half pay in continuation of the previous leave under the old East Indian Railway Leave Rules ?

(d) Is it a fact that there are several other instances of leave having been granted under the old Rules to teachers in the East Indian Railway Oakgrove and other schools ?

(e) Is it a fact that in certain cases grant of leave to teachers in other East Indian Railway Indian schools has been made contingent on ‘ funds being available ’ ? If so, will Government be pleased to state if there is any other branch or department of the East Indian Railway or Government in which leave salary depends upon funds being available ?

(f) Is it a fact that, when the State took over the control of the East Indian Railway from the East Indian Railway Company, all old employees were given an option to choose between the old East Indian Railway Company Rules and the State Railway Rules ? If so, were the teachers of the East Indian Railway Schools given a similar choice ? If not, why not ?

(g) Is it a fact that when the new East Indian Railway Leave Rules were brought into force, another choice was given to all East Indian Railway employees ? If so, was a similar choice given to teachers of the East Indian Railway Schools as well ? If not, why not ?

(h) Are Government prepared to consider the advisability of removing all the anomalies and racial distinctions between the Headmasters and teachers of the East Indian Railway Indian Schools and the East Indian

Railway Anglo-Indian School at Oakgrove in the matter of leave, passes, status and position and treat them equally in all respects in the matter of privileges †

Mr. P. R. Rau : (a) No.

(b) to (h). I am obtaining certain information to enable me to give a complete reply to this question and shall lay a reply on the table in due course.

STATUS OF TEACHERS OF THE EAST INDIAN RAILWAY INDIAN SCHOOLS.

604. ***Mr. A. Das :** (a) Are Government aware that in the replies to question No. 296 (b), (c) & (d) by Mr. M. Maswood Ahmad, dated the 8th February, 1933, and to question No. 319 (b), (c) & (d) by Pandit Satyendra Nath Sen on the 9th February, 1933, affirming the correctness of the statements of Sir George Rainy on the 25th February, 1928, that the "schools of two of the biggest company-managed Railways have come under the *direct control of the State*" and on the 21st February, 1929, that the "schools are under *our control*", and on the 12th September, 1929, "that the schools are the property of the East Indian Railway and the East Indian Railway belongs to the Government, and I do not think that there can be any doubt that they are *Government schools* in that sense", and in the reply on behalf of Government to question No. 31 by Rao Krishnapal Singh in the United Provinces Legislative Council on the 19th February, 1933, Government have recognised that East Indian Railway Schools, including the East Indian Railway Oakgrove School for Anglo-Indians, are under the direct control of 'Central Government', and are as such 'Government schools'?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state :

- (i) whether these schools are actually treated as such in the day to day administration as well? If not, why? If so, are they permitted to use service stamps on their correspondence? If not, why not;
- (ii) whether they are classified as such in Government returns? If not, why not;
- (iii) whether the local committees attached to these schools are advisory committees like those attached to Provincial Government schools of the same standard? If not, why not;
- (iv) whether the local managing committees attached to the East Indian Railway High Schools for Indians exercise full 'proprietary powers' like the committees of privately owned schools? If so, why have these bodies been vested with such extraordinary powers;
- (v) whether it is a fact that the committees attached to the East Indian Railway schools have full powers to punish, dismiss or discharge all teachers including the Headmaster? If so, is a similar practice permissible in any other department or branch of Railway or Government service? Are Government prepared to consider taking action to insure greater security of service to teachers in the East Indian Railway Schools;

(vi) whether they are aware that the committees attached to the East Indian Railway schools and possessing such extraordinary powers, contain a number of low-paid lower subordinates who are far inferior in education, status or salary to Headmasters and teachers whose destinies they actually control and govern? What action do Government propose to take to bring these committees into line with the committees attached to Provincial Government schools?

Mr. P. R. Rau : (a) This question is practically identical with part (a) of question No. 274 to which I have already replied.

(b) It does not follow that the internal Administration of these schools should follow in every particular the internal administration of Provincial Schools. Government have no information on the various points of detail raised by the Honourable Member which are for the Local Administration to decide. A copy of these questions is being sent to the Agent.

COLLECTION OF INFORMATION *re* POLITICAL OUTLOOK OF MILITARY TENDERERS.

605. ***Mr. Gaya Prasad Singh :** (a) Are Government aware that the military authorities have asked for confidential information from the local authorities regarding the political outlook of some of the tenderers for buying agencies of grains and management of grain depots?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to lay a copy of these communications on the table of this House?

Mr. G. R. F. Tottenham : (a) It is the normal practice to make full enquiries about the status and reliability of all prospective contractors and not only about their political outlook.

(b) Government are not prepared to lay on the table copies of the confidential communications to which the Honourable Member refers.

Mr. Gaya Prasad Singh : May I know if views on political outlook were called for from Messrs. Owen Roberts and Co. also?

Mr. G. R. F. Tottenham : I am not certain if that was the case.

Mr. Gaya Prasad Singh : May I take it that the political outlook of a contractor is a determining factor in giving the contracts?

Mr. G. R. F. Tottenham : I can assure the Honourable Member that the military authorities are quite indifferent to the political views of their contractors so long as they are satisfied that they are not engaged in definitely subversive activities.

Mr. Gaya Prasad Singh : May I know then why the political views are called for?

Mr. G. R. F. Tottenham : So as to make sure, as I said, that they are not engaged in subversive activities.

DILAPIDATED CONDITION OF THE BUILDING OCCUPIED BY THE INDIAN STORES DEPARTMENT.

606. ***Mr. Bhuput Sing :** (a) Are Government aware that the building occupied by the Indian Stores Department in Simla is in a very dilapidated condition?

dated condition and some time back was altogether condemned for occupation ?

(b) How much cubic feet space is by rule allotted to a clerk in a room and is that rule observed in accommodating the clerical establishment of the Indian Stores Department in Simla ?

(c) Is it a fact that even verandahs are used for accommodating the establishment of the Indian Stores Department ?

(d) Is it a fact that last year the clerical establishment was informed that they would not move between Simla and Delhi and that they would be located permanently at New Delhi ?

(e) Are Government aware that consequent on those orders some of the clerks had taken down their complete household effects to New Delhi ?

(f) Is it a fact that later on they moved up to Simla and had to bring up all the luggage ?

(g) Do Government now propose to locate the Indian Stores Department at New Delhi permanently from next year ? If not, what are the difficulties ?

Mr. A. G. Clow : (a) This is true of one of the two buildings occupied by the Indian Stores Department.

(b) The space usually allotted is 40 square feet and this rule is observed for the Indian Stores Department in Simla as far as possible within the limits of the accommodation available.

(c) Glazed verandahs are so used and they are better lighted than some of the rooms.

(d) The staff was informed in October, 1931, that the Indian Stores Department would remain in Delhi in the following hot weather. This instruction was cancelled in February, 1932.

(e) and (f). Government have received no representations on the subject.

(g) Government have not yet reached a decision in the matter.

Mr. B. Das : Is it not a fact that the Stores Retrenchment Committee recommended that there should be no Simla exodus for the clerks of the Stores Department ?

Mr. A. G. Clow : I am quite prepared to accept it from the Honourable Member. I have no recollection of this.

M. B. Das : Have the Government accepted that recommendation of the Stores Retrenchment Committee ?

Mr. A. G. Clow : I would refer the Honourable Member to the answer to part (g) of the question.

LOCATION OF SOME ATTACHED OFFICES IN NEW DELHI.

607. ***Mr. Bhuput Singh :** (a) Which of the Government of India and attached offices are located at Simla in the rented buildings and how much amount does each of the offices spend annually on this account ?

(b) Have Government considered in the interest of economy whether some of the attached offices, at least, should be located permanently at New

Delhi, in order to avoid renting of the buildings in Simla ? If not, why not ?

The Honourable Sir Harry Haig : (a) A statement giving the information desired by the Honourable Member is placed on the table.

(b) The Government considered this question in connection with a proposal of the Retrenchment Committee and have reached no decision beyond that stated on page 23 of the Summary of the Results of Retrenchment Operations in Civil Expenditure, copies of which are in the Library.

Statement.

Name of office located at Simla in rented building.	Amount of rent paid annually. Rs.
Imperial Council of Agricultural Research Department	4,380 (rent for the first year was Rs. 4,720).
Reforms Office	2,600
Record room of the Army Department	800
No. 6, Drawing Office of the Frontier Circle, Survey of India.	4,000 for 1933 (In previous years Rs. 3,500 was paid as rent).

BENGAL STATE PRISONERS DETAINED IN JAILS OF THE MADRAS PRESIDENCY.

608. ***Mr. Bhuput Sing :** Will Government be pleased to state whether the following Bengal State Prisoners are at present detained in the jails of the Madras Presidency and when were they transferred from Bengal ?

Sjts. Pratu Chandra Ganguly, Trailokya Nath Chakravarty, Ramesh Chandra Acharyya, Rabindra Mohan Sen-Gupta, Surendra Mohan Ghosh, Jihanlal Chatterjee, Benoyendra Nath Roy Chaudhary, and Pratul Chandra Bhattacharya.

The Honourable Sir Harry Haig : The answer to the first part is in the affirmative. The State Prisoners were transferred to Madras about the end of November, 1931

DIET ALLOWANCE OF CERTAIN BENGAL STATE PRISONERS DETAINED IN JAILS IN THE MADRAS PRESIDENCY.

609. ***Mr. Bhuput Sing :** (a) Is it a fact that the above mentioned State Prisoners used to get Rs. 2 per diem per head as diet allowance at the Buxa Detention Camp before being transferred to the Madras Presidency ?

(b) Is it a fact that the Bengal State Prisoners detained in the jails of the Madras Presidency used to get Rs. 2 per head per diem as diet allowance in 1926-27 ?

(c) Is it a fact that the Superintendents, District Collectors and non-official visitors of the central jails at Cannanore and Trichinopoly did recommend Rs. 2 per diem per head to be paid to the Bengal State Prisoners at present detained in the jails of the Madras Presidency ?

(d) Is it a fact that in spite of the recommendation of the District Collectors and official and non-official visitors of certain jails in the Madras Presidency the Government have sanctioned Rs. 1-4-0 only per diem for the State Prisoners at present detained in Madras jails? If so, why have the recommendations of those officials and non-officials been ignored?

(c) Will Government be pleased to state the principles which guide the Government in fixing the allowances of State Prisoners detained in the jails of provinces other than Bengal?

(f) Do Government propose to accept the recommendations of the District Collector, Superintendents of Jails and other non-official visitors of the Madras jails and sanction Rs. 2 per head per diem as recommended by the Superintendents of Jails, District Collectors and non-official visitors? If not, why not?

The Honourable Sir Harry Haig : (a) The scale of allowances in Bengal varied from Rs. 1-6-0 to Rs. 2 a day, but was subsequently reduced to Re. 1 to 1-10-0.

(b) The scale then ranged from Rs. 1-6-0 to Rs. 2.

(c), (d) and (e). I would refer the Honourable Member to the reply given by me to Mr. Mitra's question No. 257 on the 8th February, 1933.

(f) Does not arise.

PROVISION OF ELECTRIC FANS FOR STATE PRISONERS AND DETENUS IN THE TRICHINOPOLY JAIL.

610. ***Mr. Bhuput Sing :** (a) Is it a fact that the Honourable the Home Member did assure the Members of this House that, when necessary, fans would be provided to the State Prisoners and detenues? Is it a fact that Trichinopoly is a very hot place?

(b) Is it a fact that the Bengal State Prisoners, detained in the Trichinopoly central jail, requested Government to pay only for the cost of electric energy, which has been refused?

(c) Is it also a fact that permission has been refused for the purchase of electric fans by the State Prisoners at their own cost, though there is electric installation in all the blocks of the Trichinopoly jail?

The Honourable Sir Harry Haig : (a) The assurance given in this House to which the Honourable Member refers was with reference to the provision of *punkhas* for the Bengal detenues confined in the Deoli Detention Jail.

(b) and (c). The question referred to is under consideration.

SPORTS ALLOWANCE FOR BENGAL STATE PRISONERS IN JAILS OF THE MADRAS PRESIDENCY.

611. ***Mr. Bhuput Sing :** Will Government be pleased to state :

(i) whether any sports allowance has been sanctioned for the Bengal State Prisoners in jails of the Madras Presidency ;

(ii) if so, what is the amount sanctioned for it ;

(iii) what is the annual recurring grant for the purpose ?

The Honourable Sir Harry Haig : (i) Yes

(ii) Rs. 50 per head.

(iii) No recurring expenditure has been fixed, but applications for such expenditure are considered on merits.

STATE PRISONERS AND DETENUS IN JAILS.

612. ***Mr. Bhuput Sing :** Will Government be pleased to state (i) the number of State Prisoners under Regulation III of 1818, and (ii) the number of detenues under the Bengal Criminal Law Amendment Act at present detained in various jails of each of the different provinces ?

The Honourable Sir Harry Haig : I would refer the Honourable Member to my reply to part (a) of Mr S. C. Mitra's question No. 3 on the 22nd August, 1933.

STATE PRISONERS INTERNED IN VILLAGES AND DETENUS IN THE DEOLI DETENTION CAMP.

613. ***Mr. Bhuput Sing :** Will Government be pleased to state separately the number of State Prisoners (i) interned in the villages, and (ii) the number of detenues detained in the Deoli Detention jail (Ajmere-Merwara) ?

The Honourable Sir Harry Haig : (i) 196.

(ii) 192.

BENGALIS DETAINED WITHOUT TRIAL IN BURMA JAILS UNDER THE BURMA ORDINANCE.

614. ***Mr. Bhuput Sing :** (a) Will Government be pleased to state the number of Bengalis detained without trial in Burma jails under the Burma Ordinance in connection with the recent revolutionary activities stating their names and the condition of their present health ?

(b) Will Government be pleased to state the number of persons (i) shot dead, (ii) convicted, and (iii) executed, in connection with the Burma rebellion, and how many of them were Indians in each of the three categories ?

The Honourable Sir Harry Haig : (a) Eight Bengalis have been detained under the Burma Criminal Law Amendment Act. I understand that all are in good health.

(b) (i). There is no record of the precise number.

(ii) The total is not yet known as all trials have not been completed. 1,138 convictions have been reviewed by the Local Government with a view to exercising clemency where possible.

(iii) 113.

No Indians are included in the above categories.

RECRUITMENT OF STAFF ON DAILY WAGES BASIS IN THE CENTRAL PUBLICATION BRANCH.

615. ***Mr. Bhuput Sing :** (a) Will Government be pleased to state :

(i) how many cases of reported illness have occurred amongst the staff of the Central Publication Branch in the course of the last six months ;

(ii) what are the kinds of maladies ;

(iii) how many officers have gone on leave on medical grounds in the course of the last six months ?

(b) What is the total strength of the staff of the Central Publication Branch ?

(c) Is it a fact that a large number of men have been recruited at Delhi by the Central Publication Branch on daily wages basis ? If so, will Government be pleased to state :

- (i) What is the total number of such temporary men ;
- (ii) How long they have been serving ;
- (iii) What are their respective qualifications ;
- (iv) How many of them are doing desk work ;
- (v) What are the rates of wages per diem paid to each of them ;
- (vi) What is the total monthly expenditure incurred in maintaining this temporary establishment on daily rates and for how many months have they been under employment continuously from day to day ;
- (vii) What is the total expenditure incurred up till now during the current financial year ;
- (viii) What is the amount spent in payment of daily wages of temporary men employed during the months of December, 1932, and January to March, 1933, at daily rate basis ;
- (ix) The head of the budget grant of the office from which their wages are being met during the current financial year ;
- (x) What is the annual budget allotment under that head ;
- (xi) Whether the expenditure on account of maintaining these men is likely to exceed the budget allotment ? If so, how is it proposed to meet the excess expenditure ;
- (xii) What are the reasons for the maintenance of such daily wages men ;
- (xiii) How many of such daily wages men were recommended to the then officiating Manager of the Central Publication Branch by the then officiating Deputy Controller of Printing and Stationery, Mr. C. V. d'Eca ;
- (xiv) Whether the daily wages temporary men are being recommended by the present Manager for higher grade posts of the office to the exclusion of senior hands ?

Mr. A. G. Clow : (a) (i). 112.

(ii) Various ailments : I can show the Honourable Member a list if he so desires.

(iii) 24.

(b) 154.

(c) Yes.

(i) 91.

(ii) and (vi). Various terms commencing from November, 1932. The average monthly expenditure is Rs. 1,930.

(iii) Matriculates, under-graduates and men with previous secretariat experience.

(iv) 35 approximately.

(v) Varying between As. 8 and Re. 1.

(vii) Rs. 7,683.

(viii) For December, 1932 Rs. 1,799

For January, 1933 Rs. 2,095

For February, 1933 Rs. 2,180

For March, 1933 Rs. 2,511

(ix) E.6.-Contingencies—Office Expenses and Miscellaneous.

(x) Rs. 18,500 during the current financial year.

(xi) I have no reason for supposing that the budget allotment will be exceeded on this account.

(xii) To enable the arrears to be overtaken expeditiously.

(xiii) Government have no information.

(xiv) Men who have proved themselves qualified and capable have been recommended for promotion.

GRIEVANCES OF THE STAFF OF THE CENTRAL PUBLICATION BRANCH.

616. *Mr. Bhuput Sing : (a) Is it a fact that the Controller of Printing and Stationery inspected the office of the Central Publication Branch at Delhi almost every day during the months of May and June last. If so, what was the report of such inspection ?

(b) Is it a fact that the Controller has advised the present Manager to devise means for the elimination of the Bengali element of the staff ? If so, what are the reasons for such remarks ?

(c) Are Government aware that the staff have been extremely panic-stricken ? If not, do they propose to enquire into the matter ?

(d) Are Government aware that the present Manager of the Central Publication Branch has got an antipathy for the Bengali staff employed there ? If so, why ?

(e) Is it a fact that the Manager of the Publication Branch has issued a circular to his staff regarding ventilation of grievances relating to allotment of quarters ? If so, is it a fact that the Manager has threatened therein the staff with disciplinary action in the event of ventilation of grievances direct to the Government of India ? Do Government propose to place a copy of that circular on the table of this House ? If not, why not ?

(f) Is it a fact that the Manager has remarked in the said circular that direct representation to Government regarding quarters is a "master-stroke of stupidity" ?

(g) Are Government aware of the circumstances that forced the staff to send direct representation to them ? If not, do they propose to enquire into the matter ? If not, why not ?

Mr. A. G. Clow : (a) Yes. The report disclosed the need of a much higher standard of efficiency in the Branch.

(b) and (d). The answer to the first parts is in the negative ; the second parts do not arise.

(c), (e) and (g). Certain telegrams purporting to come from the staff suggest that the senders were in a somewhat hysterical frame of mind. In view of this Government do not propose to take any action on this occasion, but the staff have been warned by the Manager that action will be taken against those who act in this manner in future. Government do not propose to lay a copy of the note containing this order on the table, as office notes are confidential.

(f) I am informed that this phrase was not used.

GUNNY BAGS AND PACKING CASES PURCHASED BY THE CENTRAL PUBLICATION BRANCH.

617. ***Mr. Bhuput Sing :** Will Government be pleased to lay on the table of this House a statement showing :

(i) the number of gunny bags and packing boxes purchased by the Central Publication Branch on the eve of the transfer of that office to Delhi ;

(ii) the number of the above now available in stock ;

(iii) the total cost of such articles purchased ?

Mr. A. G. Clow : (i) 4,000 gunny bags and 350 boxes.

(ii) 3,000 gunny bags are in stock in the Central Publication Branch, and the boxes are in use there.

(iii) Rs. 3,027.

COST OF PRODUCTION OF PUBLICATIONS SOLD AS WASTE PAPER ON THE TRANSFER OF THE CENTRAL PUBLICATION BRANCH TO DELHI.

618. ***Mr. Bhuput Sing :** Will Government be pleased to state the total approximate cost of production of the various Government of India publications that were sold as waste paper on the eve of the move of the Central Publication Branch from Calcutta ?

Mr. A. G. Clow : The information has been called for and will be placed on the table of the House in due course.

PUBLIC SERVICE COMMISSION EXAMINATION FOR THE SECRETARIAT.

619. ***Mr. Bhuput Sing :** (a) Will Government be pleased to state the number of candidates who passed the Public Service Commission test for the Second Division of the Secretariat since 1920 ? How many of these are not provided for permanently in that Division ?

(b) Is it a fact that a competitive examination for recruitment to the First and Second Divisions of the Secretariat was held in 1926 by

the Public Service Commission and if so, have all those who were successful been permanently provided for in their respective grades? If not, why were the subsequent examinations held?

The Honourable Sir Harry Haig : (a) I would invite the Honourable Member's attention to the reply I am going to give to part (a) of his question No. 622.

(b) A competitive examination was held in 1926 for a specified number of vacancies in each of the three Divisions, which did not materialize in full. I understand that some of the candidates who qualified at this examination have not yet secured permanent employment in the Divisions for which they are qualified. As regards the last part of this question I would invite attention to the reply given by Sir James Crerar to parts (d) and (e) of Mr. B. N. Misra's question No. 783 on the 23rd September, 1931, and to my reply to parts (c) and (d) of Mr. S. C. Mitra's question No. 403 on the 21st February, 1933.

PROMOTION OF SECOND DIVISION CLERKS IN CERTAIN ATTACHED OFFICES.

620. ***Mr. Bhuput Sing :** (a) Is it a fact that the Home Department issued a circular No. F-94|30-Ests., dated 18th February, 1931, to the various departments to the effect that "in order to meet difficulties of a temporary nature, which arise mainly from the fact that candidates who qualified at previous examinations have not yet been permanently absorbed in the Division for which they are qualified, it was decided that men who competed for the Second Division of the Secretariat but were working in the various Attached and Subordinate offices, could be promoted to 23-1/3 per cent. of the Upper Division vacancies occurring in their respective offices"? If so, will Government be pleased to state the number of such promotions made in the following offices :

- (i) Public Service Commission,
- (ii) Indian Stores Department,
- (iii) Director-General, Indian Medical Service?

How many of these promoted men have since been confirmed and how many are working on an officiating or temporary basis?

(b) Is it a fact that Government contemplate introducing a revised scale of pay and allowances for the Secretariat and its attached and subordinate offices located at Simla|Delhi?

(c) Is it also a fact that the committee appointed for this purpose has recommended reduction in the number of Upper Division posts in most of the Attached and Subordinate Offices?

(d) Are Government aware that the introduction of any such proposal without adequate safeguards for the interests of the 'promoted' Second Division men mentioned in part (a) above is likely to take off the vacancies which are at present held by them and leave only a remote chance of their re-promotion to the Upper Division?

(e) Do Government propose to order that in the event of the revised scales of pay and allowances being introduced, it will not affect adversely in any way those men who are at present employed whether in a temporary or officiating capacity in the various Attached and Subordinate Offices?

under the Home Department circular referred to in part (a) above ? Are Government prepared to direct that notwithstanding any reduction or abolition in the number of Upper Division posts in the Attached and Subordinate Offices, such 'defunct' posts should be treated as 'existing vacancies' for the purpose of securing ultimate permanent absorption of such 'promoted' Assistants ?

(f) Are Government aware that in 1926 a notice was published in the various newspapers, etc., announcing the holding of the competitive examination for recruitment to First and Second Divisions and no condition was stipulated that the scales of pay published therein would be subject to retrenchment or revision ?

(g) Is it a fact that the Home Department circular referred to above provided for preference to those candidates who competed in the 1926 examination ?

(h) Will Government be pleased to state in how many cases such preference was actually given in the following offices in promoting the Second Division passed men to the Upper Division :

- (i) Public Service Commission,
- (ii) Indian Stores Department,
- (iii) Director-General, Indian Medical Service,
- (iv) Master-General of the Ordnance, Army Headquarters ?

(i) Will Government be pleased to state if it was the intention of the Home Department circular referred to that preference should also be given to those men who passed in the Second Division of the Secretariat but were eligible for promotion to the Upper Division of the attached and subordinate offices under that circular ?

The Honourable Sir Harry Haig : (a) and (h). As regards the first portion of part (a), I may mention that 33 1/3 per cent. of the First Division vacancies in Attached Offices are reserved for the promotion of all classes of Routine Division clerks in Attached Offices, whether qualified for the Second Division of the Secretariat proper or not—*vide* paragraph 3 (IV) of the Office Memorandum referred to, a copy of which is available in the Library. The information asked for in the latter portion of part (a) and in part (h) is contained in a statement I lay on the table.

(b) Yes, in common with other services under the control of the Governor General in Council.

(c) Yes. This was the recommendation of a Departmental Conference, and not a Committee.

(d) and (e). The question of safeguarding the interests of men in Attached Offices now in service as a result of the introduction of the new scales of pay and the reduction in the number of Upper Division posts in Attached Offices is under examination.

(f) No such stipulation was made because there was then no question of revising the scales of pay.

(g) Yes, *vide* paragraph 3 (II) (b) of the Memorandum referred to in my reply to part (a) of the question.

(i) No.

Statement.

Statement showing (1) the number of promoted Second Division clerks who have been confirmed in the First Division, (2) the number who are working in an officiating or temporary basis in that Division and (3) the number of cases in which preference was given to 1926 candidates in certain Attached Offices.

- | | | | |
|--|----|----|--|
| (i) Public Service Commission | .. | .. | <p>(1) Four (officiating) promotions have been made since 18th February 1931.</p> <p>(2) None has been confirmed. One man is at present officiating in the First Division.</p> <p>(3) In no case was preference given to a 1926 candidate, but of the men who officiated in the First Division 2 passed the Second Division Examination in 1926.</p> |
| (ii) Indian Stores Department | .. | .. | <p>(1) Three men were promoted in temporary substantive vacancies and 5 men against officiating vacancies in the First Division since 18th February 1931.</p> <p>(2) None has so far been confirmed. Five men are at present officiating or temporary in the First Division.</p> <p>(3) In no case was preference given to a 1926 candidate. Of the candidates promoted one was a 1926 man who was selected according to his position in the gradation list of the office.</p> |
| (iii) Director-General, Indian Medical Service | | | <p>(1) Five officiating promotions have been made since 18th February 1931.</p> <p>(2) One man has been confirmed and one is at present officiating in the First Division.</p> <p>(3) In no case was preference given to 1926 candidates.</p> |
| (iv) Master General of the Ordnance Branch | .. | | <p>There being no Second Division clerks in the Branch who competed in the 1926 examination, the question of granting preference does not arise.</p> |

EMPLOYMENT OF MEN WHO PASSED THE SECOND DIVISION SECRETARIAT EXAMINATION IN CERTAIN ATTACHED OFFICES.

621. **Mr. Bhuput Singh :** Will Government be pleased to state how many of the men who passed the Second Division Secretariat examination in 1926 are at present employed in the following offices :

- (i) Public Service Commission,
- (ii) Indian Stores Department,
- (iii) Director-General, Indian Medical Service,
- (iv) Master-General of the Ordnance, Army Headquarters ?

The Honourable Sir Harry Haig : There are three such men in the office of the Public Service Commission, four in the Indian Stores Department (Headquarters Office), one in the office of the Director-General, Indian Medical Service, and three in the Master-General of Ordnance Branch, Army Headquarters.

PUBLIC SERVICE COMMISSION EXAMINATION FOR THE SECOND DIVISION OF THE SECRETARIAT.

622. ***Mr. Bhuput Sing :** (a) Will Government be pleased to lay on the table a statement giving the following information year by year from 1920 to date :

- (i) number of men qualified or passed for the Second Division of the Secretariat ;
- (ii) number of men who were provided for permanently in the Second Division of the Secretariat in the year of their passing and the number of unprovided men left over at the end of each year ;
- (iii) total number of men passed for the Second Division of the Secretariat but not provided for permanently in that Division up to date ;
- (iv) the amount of examination fee collected each year ?

(b) If the answer to part (a) above shows that there are still candidates unprovided for in their respective grades, do Government propose to consider the question of granting an extension to the initial period of three years for which the Home Department circular referred to was designed to operate ? If not, why not ?

The Honourable Sir Harry Haig : (a) (i) and (iv). Information regarding the number of candidates who passed the prescribed test for employment in the Second Division of the Secretariat in the years 1920 to 1925 is not readily available and I do not propose to collect it. I lay on the table a statement showing the number of candidates who qualified for the Second Division Secretariat, at examinations held by the Public Service Commission since 1926, and the amount of fees realized from the Ministerial Service examinations since 1920.

(a) (ii) and (iii). The information is not readily available and I regret that I cannot undertake to collect it.

(b) Government are considering the matter.

Statement showing the number of candidates who qualified for the Second Division Secretariat, at examinations held by the Public Service Commission since 1926.

Year in which the examination was held.					No. of candidates qualified.
1926	..	..	..	..	58
1929	..	..	..	..	31
1931	..	..	..	..	The examination was competitive. On its results, 6 candidates secured appointments in the Secretariat and 6 in Attached Offices.
1933	..	..	..	..
					The examination was competitive. The results have not yet been declared.

Statement showing the amount of fees realised from the Ministerial Service examinations held since 1920.

Year in which examination was held.						Amount of fees realised.
						Rs.
1920	..	..	..	..	..	3,428 (Approximately).
1922	..	..	..	..	..	16,392/2
1924	..	..	..	..	..	6,670
1925	..	..	..	..	..	9,250
1926	..	..	..	..	..	15,100
1929	..	..	..	..	..	Nil.
1931	..	..	..	..	..	17,880
1933	..	..	..	..	..	26,580

SAFETY OF THE INMATES OF THE ' D ' AND ' C ' TYPE QUARTERS IN NEW DELHI.

623. ***Mr. Bhuput Sing :** (a) Is it a fact that in the ' D ' and ' C ' class quarters in New Delhi, there is a pathway adjoining the front corridor and that there is a similar road provided at the back of such quarters ?

(b) Is it also a fact that there is at present no restriction to the use of the front pathway for vehicular traffic ? If so, are Government prepared to direct that the pathway in the front of such quarters should not be used for vehicular traffic ? Do Government realize that such practice involves serious risk of personal injury, especially to children who may come out of the quarters ?

(c) Are Government aware that in most of the lawns adjacent to the ' D ' and ' C ' type quarters referred to, hazardous games like cricket and foot-ball are at present played ? If so, are Government prepared to take steps to put a stop to such hazardous games ? Do Government realize that such games expose the tenants of the adjoining quarters to risks of serious personal injury, especially to children ? Do Government propose to direct that no games except those that require only a limited area, *e.g.*, volley-ball or badminton, will be permitted in such lawns ? If not, are Government prepared to ascertain the views of the tenants of the ' D ' and ' C ' class quarters in this matter and take steps to protect the tenants from accidents or risks of physical injury to which they are at present exposed ?

Mr. A. G. Clow : (a) Yes, there is a pathway adjoining the front corridor, and there is a service road at the back of the quarters, the metalled portion of which does not adjoin the quarters, while in most cases there is a drain between them.

(b) There is no restriction on the use of the front pathway, but in practice it is used only by the tenants or their visitors.

(c) No cases in which organised games of hockey, cricket, or football have been played on the lawns adjacent to the quarters have been brought to notice. Badminton and Volley-Ball are the only two games generally played by the tenants on the lawns. The other parts of the question do not arise.

COMMUNAL COMPOSITION OF THE JUDGES OF HIGH COURTS AND CHIEF COURTS.

624. ***Mr. M. Maswood Ahmad** : Will Government be pleased to state :

- (i) the number of High Court Judges, permanent and temporary (separately) in each of the High Courts and Chief Courts ; and
- (ii) the communal composition of the judges of the High Courts and Chief Courts ?

The Honourable Sir Harry Haig : (i) and (ii). I lay on the table a statement giving the information.

Statement showing the present strength of High Courts and the Chief Court, Oudh, and the communal composition of the Judges.

Strength.	Muslims.	Hindus.	Indian Christians.	Europeans.	Others.
HIGH COURTS.					
<i>Madras.</i>					
14 permanent Judges ..	..	6	..	8	..
<i>Bombay.</i>					
10 permanent and 1 Additional Judges.	1	3	..	6	1 Parsi.
<i>Calcutta.</i>					
15 permanent and 3 Additional Judges.	1	8	..	9	..
<i>Allahabad.</i>					
9 permanent and 3 Additional Judges.	3	3	..	6	..
<i>Lahore.</i>					
9 permanent and 3 Additional Judges.	2	3	1	6	..
<i>Patna.</i>					
9 permanent and 1 Additional Judges.	2	2	1	5	..
<i>Rangoon.</i>					
11 permanent Judges ..	..	2	..	7	2 Burmans,
CHIEF COURT.					
<i>Oudh.</i>					
5 permanent Judges ..	2	1	..	1	1 Parsi.
Total ..	11	28	2	48	4

INCREASE IN THE NUMBER OF MUSLIM JUDGES IN THE CALCUTTA HIGH COURT.

625. ***Mr. M. Maswood Ahmad** : (a) Is it a fact that the Calcutta High Court in a way, is under the control of the Central Government ?

(b) Is it a fact that men of one province may be appointed as judges of the High Court in another province ?

(c) How many judges have been appointed in the Calcutta High Court during the last ten years and how many of them were Muslims ?

(d) Will Government be pleased to state the action they have taken or they propose to take for increasing the number of Muslim judges in the Calcutta High Court ?

The Honourable Sir Harry Haig : (a) The Calcutta High Court is under the administrative control of the Government of India.

(b) There is nothing to prevent such appointments.

(c) During the period 1921-1930, 17 permanent Judges were appointed of whom one was a Muslim. During 1931 and 1932, three permanent Judges were appointed of whom one was a Muslim.

(d) I would refer my Honourable friend to the answer given by my predecessor to part (c) of Mr. Uppi Saheb Bahadur's question No. 1077, in this House on the 23rd March, 1931.

Mr. Gaya Prasad Singh : Do Government admit the principle of appointing Judges of the High Court on communal lines ?

The Honourable Sir Harry Haig : No, Sir. That principle has not been accepted.

Mr. M. Maswood Ahmad : May I ask, Sir, what was the recommendation of the Government to the Joint Parliamentary Committee about the position of the Calcutta High Court ? Will it be on the same footing as other High Courts in other provinces or will it continue to have some differential treatment ?

The Honourable Sir Harry Haig : I answered that question yesterday. I said that the matter was under the consideration of His Majesty's Government and that I was not in a position to disclose the recommendations of the Government of India.

Mr. M. Maswood Ahmad : Do they propose that in future the Calcutta High Court shall be on the same footing as the other High Courts ?

The Honourable Sir Harry Haig : I am afraid my answer must be the same.

FIRMS MANUFACTURING PLAYING CARDS IN INDIA.

626. ***Mr. S. C. Mitra** : (a) Are Government aware that playing cards are being manufactured in India ? If not, do they propose to enquire and state how many manufacturing concerns of playing cards have been started in India ?

(b) Will Government be pleased to state the total cost of the playing cards imported into India during each of the last three financial years ?

- (iv) how much service each of the soldiers and the 'Y' cadets, respectively had put in the Army before his nomination, and what are his educational and other qualifications ;
- (v) how and by whom was each of the soldiers (other than 'Y' cadets) recruited ?

Mr. G. R. F. Tottenham : On the assumption that by 'Y' cadets the Honourable Member means those gentlemen who were offered special terms of enlistment in 1930 and 1931, the answers to the various parts of the question are as follows :

- (i) Four, Jemadar Kashinath Shriram Moghe, Jemadar Bakhtiar Mohammad Khan Rana, Jemadar Abdul Aziz and Lance Dafadar Gurkupal Singh.
- (ii) One, Lance Dafadar Gurkupal Singh. The remaining three were enlisted under special terms in 1930. The qualification required of all Indian Army Cadets is the possession of the Indian Army Special Certificate of Education.
- (iii) None.
- (iv) I lay a statement on the table giving the information desired by the Honourable Member. The qualification in each case is the possession of the Indian Army Special Certificate of Education.
- (v) In the ordinary way, that is, by the Recruiting Officer or the Unit Commander.

Statement showing the service of certain soldiers and the 'Y' Cadets.

Name.	Service.	
	Years.	Months.
Jemadar Kashinath Shriram Moghe	2	9
Jemadar Bakhtiar Mohd. Khan Rana	2	10
Jemadar Abdul Aziz	2	4
L./Dafadar Gurkupal Singh	1	10
<i>Others.</i>		
L./Dafadar Abid Ali Akbar Khan	2	5
L./Dafadar Parduman Singh	3	2
L./Naik Sawal Khan	1	11
<i>(plus 5½ years non-enrolled).</i>		
Jemadar Fateh Khan	4	2
L./Naik Rahim Ullah	1	8
Naik Ghulam Dastgir Khan	1	9
L./Naik Mohd. Muzaffar Khan	3	3
L./Naik Balbir Singh	2	1
Naik Gurbans Singh	7	0
L./Naik Parbhu Singh	4	0
Havildar Shambhoo Sahai Sharma	*1	8
Jemadar Damodar Narhar Thakur	*7	7

*I. T. F. Service.

NOMINATION OF THE INDIAN ARMY SOLDIERS TO THE INDIAN MILITARY ACADEMY, DEHRA DUN.

628. *Mr. S. C. Mitra : (a) Will Government be pleased to state whether at the time of sending up recommendations by the Officers Commanding of respective regiments any 'Y' cadet was working in any regiment from which the soldiers were sent up for nomination to the Indian Military Academy, Dehra Dun ?

(b) Is it a fact that a 'Y' cadet was working in a regiment and his name was not recommended ? If so, will Government please state the reason for doing so and for recommending a soldier in preference to a 'Y' cadet ?

(c) Are Government aware that almost every one of the 'Y' cadets has put in sufficient service to make him eligible for nomination, and he is not recommended for nomination because he is not going to be over age, while that recruited long afterwards by the Officer Commanding directly is recommended for nomination as he would become over age ?

(d) Are Government aware that there is a general discontentment among the parents of 'Y' cadets and the cadets themselves that the Officers Commanding of the regiments recommend those who have been recruited by them directly on the same terms as the 'Y' cadets and keep back those 'Y' cadets who were enlisted by the Army Headquarters in 1931 and after ?

(e) Do Government propose to reserve at least 80 per cent. of the nominations for those 'Y' cadets who were recruited by the Army Headquarters until all of them are absorbed ? If not, why not ?

Mr. G. R. F. Tottenham : (a) Yes.

(b) The answer to the first part of the question is in the affirmative. Presumably the Commanding Officer was satisfied that the ordinary soldier had a better claim than the so-called 'Y' cadet.

(c) Certainly not, Sir. Indian Army Cadets are selected entirely on their merits and it is only where the merits of two candidates are equal that the older of the two would be given preference.

(d) I must protest against the insinuation in this question that Commanding Officers are biassed against the so-called 'Y' cadets. They have been sending careful, sympathetic and quite unprejudiced reports about these young men. I have no reason to believe that the young men themselves are or have any reason to be discontented, but if they are, it is always open to them to leave the Army.

(e) No. The attention of the Honourable Member is invited to the answer which I gave on the 30th August, 1933, to part (g) of starred question No. 179.

Captain Sher Muhammad Khan Gakhar : What is the definition of 'Y' cadet.

Mr. G. R. F. Tottenham : As I attempted to explain the other day, 'Y' cadet is the term used in this country and applied to certain young men who went in for the open competitive examination for the Army, but failed to secure sufficiently high marks to get a place and

were then given the opportunity of getting into the Army by entering some regiment or other as sepoys and, thereafter, running their chance of securing cadetships at the Indian Military Academy as Indian Army cadets.

CONSTRUCTION OF QUARTERS IN NEW DELHI.

629. ***Mr. S. C. Mitra :** (a) Is it a fact that the Government of India have sanctioned the construction of about 600 quarters in New Delhi for the clerical establishment of the Secretariat and its Attached Offices ?

(b) How many quarters of each type are to be built and at what sites ?

(c) Is it a fact that tenders have already been received by the Chief Engineer, Delhi, for the works to be started in New Delhi ?

(d) Is it a fact that these tenders were called for without giving the specifications of the works ?

(e) Are Government aware that the tenants by their past experience feel that the ' D ', ' C ' and other types of the orthodox quarters of clerks are most unsuitable for occupation in summer ?

(f) Is it a fact that the tenants have on many occasions approached Government through their Associations for many alterations and changes in these quarters ?

(g) Do Government propose to ascertain through the Imperial Secretariat Association and other Service Associations what improvements or changes are required in ' D ', ' C ' and other types of orthodox quarters and then build the new quarters ? If not, why not ?

(h) Will Government be pleased to state whether any new quarters are being constructed at a site which has been used and reserved as dumping ground or in its close proximity ?

Mr. A. G. Clow : (a), (b), and (c) to (h). The Honourable Member is referred to the reply given to Mr. Bhuput Singh's question No. 133 on the 29th of last month.

(c) Yes.

(d) No. Full information with regard to the specifications of the works proposed was available in the Central Public Works Department for the tenderers and the position in this respect was explained in the notices calling for tenders.

Sir Cowasji Jehangir : May I ask, how many of these quarters will be vacated every hot weather ?

Mr. A. G. Clow : It depends upon the number of men staying in Delhi ?

Sir Cowasji Jehangir : Has that not been settled yet ?

Mr. A. G. Clow : No, not with respect to certain offices.

Sir Cowasji Jehangir : A certain number of these offices are vacated during the hot season

Mr. A. G. Clow : It is probable that certain quarters will be left vacant in Delhi, but I cannot say definitely which particular quarters.

Sir Cowasji Jehangir : Have not Government taken into consideration the waste of money in building these quarters if they are going to be occupied only for four or five months ?

Mr. A. G. Clow : That is a question which might be addressed to the Honourable the Finance Member.

Sir Cowasji Jehangir : But the Honourable Member in charge of Industries and Labour initiates the proposal, is it not so ?

Mr. A. Das : Is it under the consideration of Government that there should be no exodus to Simla next year in view of the new quarters being built in Delhi ?

The Honourable Sir Harry Haig : I am not aware of any proposal in the terms stated by the Honourable Member.

Mr. Lalchand Navalrai . Does the Honourable Member know that newspapers have been publishing that there would be no exodus ?

The Honourable Sir Harry Haig : Papers are not always correct.

Mr. A. Das : Does the Honourable Member know that it has been published in the papers that the proposal is under consideration of His Excellency the Viceroy ?

The Honourable Sir Harry Haig : I am not very familiar with the case, but, as far as I know, the primary point to be decided in accordance with the recommendations of the Retrenchment Committee is whether certain Attached Offices, as a first step, should be left permanently in Delhi. That point, I understand, is under consideration.

Mr. Gaya Prasad Singh : Do I take it that this question of exodus will not be decided till the Federal Legislature is established ?

The Honourable Sir Harry Haig : I cannot make any statement on the subject.

RACIAL DISCRIMINATION IN THE CARRIAGE OF DOGS BY RAILWAY TRAINS BETWEEN SUMMER HILL AND SIMLA.

630. ***Mr. S. C. Mitra :** (a) Is it a fact that on the 8th August, some Indian ladies were travelling from Summer Hill to Simla, with a dog and that they were asked to purchase a dog ticket by the Summer Hill station Staff and were asked by the Simla staff to present the dog ticket on their arrival at Simla ?

(b) Are Government aware that a European lady had two dogs in a first class compartment travelling by the same train and no dog ticket was asked for from her at Simla station ?

(c) Will Government be pleased to state the number of dogs belonging to Europeans that have been charged for between Summer Hill and Simla, and *vice versa* during the period 15th April to 15th August, 1933, and the number of dogs belonging to Indians that have been charged for during the same period ?

(d) Are Government aware that all these racial discriminations are going on only during the régime of the present Assistant Operating Officer, North Western Railway, Simla ? If not, do they propose to enquire into the matter ? If not, why not ?

Mr. P. R. Rau : (a), (b) and (c). The North Western Railway Administration reports that the number of dog tickets sold from Simla to Summer Hill and *vice versa* during the period 15th April to 15th August,

1933, is 13, and that the records show that one dog ticket was sold at Summer Hill on the 8th August, 1933, for Simla. From the names of the persons to whom tickets were issued, it appears likely that the number of tickets issued to Europeans was 10 and to Indians 3, but obviously it is difficult to judge nationality by names.

(d) The Administration reports that they are satisfied that no racial discrimination as is alleged is being shown.

NON-SALE OF MONTHLY TICKETS AT STATION BOOKING OFFICES ON THE KALKA SIMLA RAILWAY.

631 ***Mr. S. C. Mitra** : (a) Is it a fact that monthly tickets are always sold at the booking offices at railway stations over all railways ? If so, will Government be pleased to state the reasons why monthly tickets are not sold by the booking clerks of the Simla and Summer Hill stations ?

(b) Are Government aware that the present Assistant Operating Officer, North Western Railway, Simla, insists that the monthly tickets between Simla and other stations must be obtained from his office in spite of the requests from the public and the monthly ticket holders that arrangements should be made for the sale of such tickets at the station booking offices of Simla and all other stations ?

(c) Are Government aware that the present system is causing inconvenience to the daily passengers in so far that they are to present themselves personally on the expiring date of such monthly tickets at the Assistant Operating Officer's office, which is far away from the Simla station, or that they are to get such tickets through peons ?

(d) Are Government aware that even small school children are expected to go to Assistant Operating Officer's office for the purchase of monthly tickets ? If not, do they propose to enquire into the matter ?

(e) Will Government be pleased to state the reasons why the present Assistant Operating Officer, North Western Railway, Simla, should insist on the sale of monthly tickets through his office and not through the booking offices of Simla and other stations on the Kalka Simla Railway ?

Mr. P. R. Rau : Government have no information, but are sending a copy of the question to the Agent, North Western Railway, in order that he might take whatever steps are possible to remedy the inconvenience complained of.

PASSES FOR FREE CONVEYANCE OF ARMY HEADQUARTERS CLERKS BETWEEN SUMMER HILL AND SIMLA.

632. ***Mr. S. C. Mitra** : (a) Is it a fact that the Army Department, Government of India, issued passes to the clerks and other staff, working in the Army Headquarters buildings, for regulating their entry into those buildings by an office order ?

(b) Is it a fact that the inferior staff of the Army Headquarters and Army Department are also provided with such passes in accordance with the said office order ?

(c) Is it a fact that the personal servants of the staff working in the Army Headquarters are also provided with such passes according to the said office order ?

(d) If the answers to parts (a), (b) and (c) be in the affirmative, will Government be pleased to state whether under the said office order all the above mentioned passes entitle the holders to free conveyance between Summer Hill and Simla by the three III class bogies reserved in the clerks Special train running daily between the places? If not, are Government aware that all European clerks possessing such passes utilise them for travelling between Summer Hill and Simla? If not, do Government propose to enquire into the matter? If not, why not?

(c) Is it a fact that the said office order contained a clause which lays down that such of these buildings passes will be valid for travelling in the clerks Special, running between Summer Hill and Simla, which would be endorsed on the back by the branches of the Army Headquarters and the departments in the following form: "The holder of this pass is entitled to travel in the Army Headquarters clerks Special trains between Summer Hill and Simla"? If so, will Government be pleased to state the number of such passes endorsed by the departments and branches of the Army Headquarters up to 1st June last year and 1st June of current year?

(f) Is it a fact that Army Department also issued certain instructions to the Quartermaster General's Branch regarding the issue of free railway passes for the conveyance of military and civilian clerks residing in Government quarters?

(g) Is it a fact that a copy of such instructions was forwarded to the Assistant Operating Officer, North Western Railway, Simla? If so, will Government be pleased to state whether the present Assistant Operating Officer ever asked his staff to check the passes according to those instructions to see whether unauthorised persons as defined in the said instructions are travelling by the clerks Special train?

(h) Is it a fact that the said Army Department instructions lay down that the officer-in-charge of Summer Hill Camp must send a voucher in the first week of each month to the Assistant Operating Officer, North Western Railway, Simla, in a certain specified form certifying amongst other things that no one except such Army Headquarters clerks as are entitled to free conveyance travelled by the portion of the train the cost of which is borne by military estimates?

(i) Will Government be pleased to state the number of such monthly vouchers received by the present Assistant Operating Officer, North Western Railway, Simla, during the last 12 months from 1st July, 1932?

Mr. G. R. F. Tottenham : (a), (b) and (c). Yes.

(d) The reply to the first portion is in the negative.

Government are not aware that any clerks except those whose passes entitle them to do so are allowed to travel free by the Special train. They do not consider that any useful purpose would be served by instituting an enquiry into the matter.

(e) The reply to the first portion is in the affirmative.

As regards the latter portion, a statement is laid on the table.

(f) Yes.

(g) The reply to the first portion is in the affirmative.

Daily checks are made, and surprise checks have been organised at both Simla and Summer Hill stations.

(h) Yes.

(i) Twelve.

Statement.

Office.	Number of passes endorsed up to	
	1st June 1932.	1st June 1933.
G. S. Branch	Information not available	30
A. G.'s Branch	13	14
Q. M. G.'s Branch	12	11
M. G. O. Branch	3	4
E.-in-C.'s Branch	4	2
M. S. Branch	4	5
Medical Directorate	1	2
A. M. S. (P) to H. E. the C.-in-C.	2	1
Judge Advocate General .. .. .	..	..
Director of Contracts .. .. .	..	1
A. D. O. S. (P)	2	1
R. A. F. Headquarters	3	2
Total	44	73

NOTE.—In addition to the above, 12 passes for children of Military technical clerks were issued last year and this year.

TRAVELLING OF UNAUTHORISED PERSONS BY THE SPECIAL TRAIN, RUNNING BETWEEN SUMMER HILL AND SIMLA.

633. *Mr. S. C. Mitra : (a) Is it a fact that only clerks belonging to the following offices, namely, offices of the Military Secretary, Chief of the General Staff, Adjutant General, including Medical Directorate and Judge Advocate General, Quartermaster General, Master General Supply, Royal Air Force, Engineer-in-Chief, and Assistant Military Secretary (Personal), are entitled to travel by the clerks Special train between Summer Hill and Simla under the Army Department instructions issued to Quartermaster General's Office for regulating the issue of free railway passes between Summer Hill and Simla ?

(b) Is it a fact that the said Army Department instructions clearly lay down that such clerks of the Army Headquarters belonging to the offices named in the said instructions who are living only in Government

quarters in Summer Hill are entitled to get their passes endorsed by their respective offices in the form shown in the Army Department security office order ?

(c) Will Government be pleased to state how many of such passes belonging to the clerks of Army Headquarters and departments living in private houses in Summer Hill have been endorsed by the offices mentioned in the said Army Department instructions during the present year up to 1st July, 1933 ? Will they also be pleased to state the reasons why passes of persons not entitled to them were endorsed ?

(d) Are Government aware that a large number of European clerks living in Government quarters but belonging to Military Accountant General and other offices not mentioned in the said Army Department instructions and large number of European clerks living in private houses in Summer Hill are travelling daily, free of cost, in those Army Department bogies attached to that train ?

(e) Is it a fact that the Army Department instructions mentioned above lay down clearly that such unauthorised persons should not be allowed to travel in those bogies paid from military estimates ? If so, do Government propose to enquire and to state the number of such unauthorised persons who travelled daily by the clerks Special between Summer Hill and Simla without payment during the current year ?

(f) Are Government aware that a large number of European clerks, unauthorised, are travelling daily in those bogies paid from military estimates with the help of the Army Headquarters building passes without any endorsement on the back of such passes ?

(g) Will Government be pleased to state how the officer in charge of Summer Hill Camp is certifying the monthly vouchers in the manner prescribed in the said Army Department instructions which he is supposed to send to the Assistant Operating Officer, North Western Railway, Simla ?

(h) Will Government be pleased to state what arrangements the Railway Department, especially the Assistant Operating Officer, North Western Railway, Simla, has so far made for checking such frauds during all these years ? If no steps have been taken by the Assistant Operating Officer, is it a fact that such frauds were going on with his knowledge during his régime ? If not, will Government be pleased to state the reasons how such frauds are being allowed to be perpetrated only by the European clerks ?

Mr. G. R. F. Tottenham : (a) and (b). Yes.

(c) Five passes were issued to non-entitled persons this year owing to a misunderstanding of the orders. These have since been cancelled.

(d) No.

(e) The reply to the first portion is in the affirmative. Government are not aware that any unauthorised persons other than the five mentioned above have been travelling in the bogies referred to without tickets or passes.

(f) The answer is in the negative.

(g) The certificate is furnished by the Officer-in-charge, Summer Hill Camp, in the manner prescribed by the Government orders.

(h) A ticket collector has been deputed to travel by this Special train daily. Orders are also issued periodically for surprise checks to be made by the checking staff. The Railway Administration are satisfied that no fraud has been perpetrated. The rest of the question therefore does not arise.

REFUSAL TO ALLOW ARMY HEADQUARTERS INDIAN CLERKS LIVING IN PRIVATE HOUSES TO TRAVEL BY THE SPECIAL TRAIN RUNNING BETWEEN SUMMER HILL AND SIMLA.

634. ***Mr. S. C. Mitra** : Is it a fact that Indian clerks living in private houses but working in Army Headquarters offices mentioned in the Army Department instructions to the Quartermaster General and Indian clerks living in Government quarters but working in the office of the Military Accountant General, Army Department, and other Army Headquarters offices not mentioned in the Army Department instructions to the Quartermaster General, are not allowed to travel free by the Sergeant-in-charge of Summer Hill Camp in those bogies paid from military estimates attached to the clerks Special train ?

Mr. G. R. F. Tottenham : Yes.

TRAVELLING OF CHILDREN OF EUROPEAN CLERKS BY THE SPECIAL TRAIN RUNNING BETWEEN SUMMER HILL AND SIMLA.

635. ***Mr. S. C. Mitra** : (a) Will Government be pleased to state the number of Army Headquarters clerks living in Summer Hill quarters who are entitled to get free Railway passes for their own children going to schools in Simla ?

(b) Will Government be pleased to state whether all European school-going children of European clerks living in Summer Hill are entitled to travel free between Summer Hill and Simla in those compartments paid from military estimates attached to the clerks Special train ?

(c) Are Government aware that the school-going children of all European clerks living in Summer Hill either in Government or in private houses do travel free between Summer Hill and Simla in the compartments paid from military estimates ? If not, do they propose to enquire into the matter ? If not, why not ?

(d) Will Government be pleased to state the number of monthly tickets and monthly railway passes other than the Army Headquarters passes that have been issued to persons including children travelling daily between Jutogh, Summer Hill and Simla ?

Mr. P. R. Rau : (a) Thirteen, of whom, however, only six send their children to schools in Simla.

(b) No, only the school-going children of Military Technical clerks serving in Army Headquarters are entitled to travel free by the Special between Summer Hill and Simla.

(c) The North Western Railway Administration reports that they are satisfied that only those children who are entitled to travel free are allowed to do so.

(d) Government are informed that during the period 1st April to 29th August, 1933, the following monthly season tickets have been issued :

(1) Between Simla and Summer Hill	213
(2) Between Simla and Jutogh	6
(3) Suburban tickets for railway employees between Simla and Summer Hill	8

RATIO OF BENGAL AND PUNJAB MUSLIMS TO THE MUSLIM POPULATION OF INDIA.

636. ***Mr. S. C. Mitra** : (a) Will Government be pleased to state the ratio that the total Bengal Muslims bear to the total Muslim population of the whole of India ?

(b) Will Government be pleased to state the ratio that the Punjab Muslims bear to the total Muslim population of the whole of India ?

(c) Has the attention of Government been drawn to the article headed "Grievances of Bengal Muslims" published in the *Star of India*, dated July 26, 1933 ?

The Honourable Sir Harry Haig : (a) and (b). According to the last census, the ratios are about 35 per cent. and 17 per cent., respectively.

(c) Yes.

MUSLIMS OF BENGAL, PUNJAB AND OTHER PROVINCES IN THE GOVERNMENT OF INDIA SECRETARIAT AND ATTACHED OFFICES.

637. ***Mr. S. C. Mitra** : (a) Will Government be pleased to state separately the number of Bengal Muslims, the Punjab Muslims and Muslims of other provinces occupying now the posts of superior officers in each of the Government of India Departments and Attached Offices showing the names of departments and offices since the creation of the Public Service Commission, and their number before the creation of that office ?

(b) Will Government be pleased to lay on the table of this House a statement showing separately the number of Bengal Muslims, Punjab Muslims and Muslims of all other provinces taken together, occupying the posts of Superintendent in each of the different departments of the Government of India and Attached Offices, and the names of departments and offices since the creation of the Public Service Commission, and their number prior to the creation of that office ?

(c) Will Government be pleased to state separately the number of Bengal Muslims, Punjab Muslims and Muslims of all other provinces taken together occupying the posts of Assistants in the upper time-scale and Assistants of the First Division in each of the different departments of the Government of India, showing the names of departments, since the creation of the Public Service Commission and their number prior to the creation of that office ?

(d) Will Government be pleased to place on the table of this House a statement showing separately the number of the Bengal Muslims, the Punjab Muslims and Muslims of all other provinces taken together, occupying the posts of Second and Third Division clerks in each of the Government of India Departments, showing the names of the depart-

ments, since the creation of the Public Service Commission and their number prior to the creation of that office ?

(e) Will Government be pleased to lay on the table of this House a statement showing separately the number of Bengal Muslims, Punjab Muslims and Muslims of all other provinces taken together occupying the posts of First Division Assistants and Second and Third Division clerks in each of the different attached offices of the Government of India, showing the name of each of such offices, since the creation of the Public Service Commission and prior to the creation of that office ?

(f) Will Government be pleased to state the percentage of increase of Bengal Muslims in each of the categories of the posts mentioned above since the creation of the Public Service Commission ?

(g) Do Government propose to instruct the Public Service Commission to recruit a larger number of Bengal Muslim graduates in all posts reserved for Muslim representation according to the ratio the total Bengal Muslim population bears to the total Muslim population of the whole of India ? If not, why not ?

The Honourable Sir Harry Haig : As explained in reply to parts (c) and (d) of the Honourable Member's question No. 409, on the 16th September, 1931, Government have not undertaken to secure representation for provinces, either generally or in terms of particular communities. Muslim candidates from Bengal have equal opportunities with those from other provinces of securing employment in the posts in question and no special action is therefore necessary in regard to them. This being the case, I do not think any useful purpose would be served by the collection of the statistics asked for, which are not readily available.

PRESENT STATE OF HEALTH OF BENOYENDRA NATH ROY CHAUDHURY, A STATE PRISONER IN THE RAJAHMUNDRY JAIL.

638. ***Mr. S. C. Mitra :** (a) Will Government be pleased to state the present state of health of Benoyendra Nath Roy Chaudhury, who is a State Prisoner under Regulation III of 1818 and is detained in Rajahmundry jail ?

(b) Are Government aware that, in spite of several letters from his relations, no reply has been obtained from Rajahmundry jail since November last about the health of the State Prisoner, or any correspondence from him ?

(c) Is it a fact that when he was examined at Madras by the Civil Surgeon, he was told that he was suffering from complete nervous breakdown and might die at any moment ?

(d) What steps have been taken by Government since then for his treatment ?

The Honourable Sir Harry Haig : (a), (c) and (d). I would refer the Honourable Member to part (a) of my reply to his question No. 259 which was asked on the 31st August last. He will observe that in the opinion of the Medical Board the State prisoner is suffering from neurasthenia.

(b) No. On the contrary I understand that a letter of the 11th July, 1933, regarding the health of the State Prisoner was received by his wife from the Superintendent of the Rajahmundry Central Jail.

PETITION FOR THE TRANSFER OF MR. MAHENDRA NATH ROY FROM THE DEOLI DETENTION CAMP TO CALCUTTA.

639. *Mr. S. C. Mitra : (a) Is it a fact that one, Mr. Mahendra Nath Roy, was arrested under the Bengal Ordinance on March 11th, 1931 ? Is it a fact that he is now detained in the Deoli Camp ?

(b) Is it a fact that the detenu had a bone near the eye dislocated and had developed a swelled face as a result of an accident during a hockey match ?

(c) Is it a fact that he was X-rayed by medical authorities of the Ajmer Hospital and they advised an operation ?

(d) Is it a fact that this news was conveyed to the father of the detenu ?

(e) Is it a fact that the father of the detenu petitioned the Government of India for the removal of the detenu to the Calcutta Medical College Hospital for the operation ?

(f) Will Government be pleased to state whether the petition was granted by them ? If not, why not ?

The Honourable Sir Harry Haig : (a) Mr. Mahendra Nath was arrested in Bengal under the Bengal Criminal Law Amendment Act and is now detained at Deoli.

(b) and (c). X-Ray examination at the Ajmer Hospital showed that the left molar bone was fractured. There was slight swelling on the face. An operation was not considered necessary.

(d) The detenu may have informed his father.

(e) The Government of India have received no such petition.

(f) Does not arise.

MALTREATMENT OF MR. KESHAVA CHANDRA GUPTA, A POLITICAL PRISONER.

640. *Mr. S. C. Mitra : (a) Is it a fact that one, Mr. Keshava Chandra Gupta, a political prisoner, was convicted in a political case ? Is it also a fact that after conviction he was imprisoned in the Ajmer central prison as a ' B ' class prisoner ?

(b) Is it a fact that the said Mr. Gupta has since been transferred to the Sabarmati central prison ? If so, is it a fact that on transfer he was placed in ' C ' class ? If so, will Government be pleased to state the reasons for transferring a prisoner from ' B ' class to ' C ', and under whose direction the said prisoner was transferred to ' C ' class ?

(c) Are Government aware that the said prisoner is being maltreated and tyrannized in the Sabarmati prison after conviction ? If not, do Government propose to enquire into the matter ? If not, why not ?

Mr. B. J. Glancy : (a) Keshav Chander Gupta was sentenced in July, 1932, to two years' rigorous imprisonment for refusal to furnish security in section 110 proceedings and placed in ' B ' class in Ajmer jail.

(b) Yes, he was transferred to Sabarmati prison but is now in Nasik prison and is still in ' B ' class.

(c) Does not arise.

ALLEGATION AGAINST THE ASSISTANT STATION MASTER, SIMLA.

641. ***Mr. K. P. Thampan :** Are Government aware that the Assistant Station Master, Simla, neither charged one Mr. Dunett of the office of the A. M. S. P. to His Excellency the Commander-in-Chief and his servant on the 30th June last at the Summer Hill Station, nor prosecuted them for not having tickets with them but allowed them to pass without tickets in the presence of several passengers at the Summer Hill Station platform ? If not, do they propose to enquire into the matter ? If not, why not ?

Mr. P. R. Rau : Enquiries have been made from the North Western Railway Administration who report that they have no knowledge of the incident alleged.

RACIAL DISCRIMINATION IN CHARGING FARES FROM PASSENGERS BY THE NORTH WESTERN RAILWAY STAFF.

642. ***Mr. K. P. Thampan :** (a) Are Government aware that two Indian passengers who got into a second class compartment at Summer Hill Station with intermediate class monthly tickets by the 1 Up Mail on the 23rd May, 1933, were charged the difference of fare and penalty ? If not, do they propose to enquire into the matter ?

(b) Are Government aware that a European was also found in the same second class compartment by the same ticket checker in the same train on the same date with an inter class ticket, and that that European was charged only the difference of fare and not the penalty ? If not, do they propose to enquire into the matter and state the reasons for this racial discrimination by the North Western Railway staff ?

Mr. P. R. Rau : I am informed that the penalty in addition to the fare was imposed in the first case because these passengers had failed to inform the Station Master or the Guard that owing to lack of accommodation they were travelling in a class higher than that for which they held tickets, and it was not imposed in the second case because the passenger had informed the Station Master.

There was no racial discrimination involved and the procedure in each case was according to the rules on the subject.

RACIAL DISCRIMINATION IN THE CARRIAGE OF DOGS BY RAILWAY TRAINS BETWEEN SUMMER HILL AND SIMLA.

643. ***Mr. K. P. Thampan :** (a) Are Government aware that in June last an Indian passenger was asked to pay for the carriage of his dog from Summer Hill to Simla by the clerks Special and he paid ?

(b) Are Government also aware that, when the attention of the railway staff concerned was drawn to a dozen other dogs conveyed by European clerks by the same train, no action was taken by the railway staff ? If not, do Government propose to enquire into the matter ? If not, why not ?

(c) Are Government aware that when the matter was reported to the Assistant Operating Officer, Simla, he shielded his own staff and encouraged the racial discrimination by his staff ?

Mr. P. R. Rau : (a) I understand that on the 16th June a passenger was charged for one dog from Simla to Summer Hill.

(b) The information obtained by the North Western Railway is that there was no such occurrence. Dogs are always paid for when carried by the Special.

(c) The Administration reports that full enquiries were instituted into this matter but no corroboration of the charge against the staff could be obtained.

APPOINTMENT OF AN INDIAN AS DIRECTOR GENERAL, INDIAN MEDICAL SERVICE, OR AS PUBLIC HEALTH COMMISSIONER IN INDIA.

644. *Mr. Jagan Nath Aggarwal : With reference to question No. 1173 asked by Mr. Gaya Prasad Singh on the 10th of April, 1933, and the reply thereto by Mr. G. S. Bajpai, will Government be pleased to state if any such orders with regard to the appointment of an Indian as the Director General, Indian Medical Service, or as the Public Health Commissioner in India were passed or contemplated by any authority other than the Government of India ? If no such order was passed or contemplated, do Government now propose to pass such orders or to adopt such a convention ?

Mr. G. S. Bajpai : The answer to the first part is in the negative. Government do not consider it necessary to issue such orders as claims of suitable senior Indian Officers of the Indian Medical Service are always given due consideration at the time of making appointments.

Mr. B. Das : Am I to understand that at present there are no Indian senior officers to be Inspector General ?

Mr. G. S. Bajpai : The question does not relate to the post of Inspector General, but relates to the post of Public Health Commissioner with the Government of India.

Mr. B. Das : Am I to understand that there are no Indian senior medical officers to be Public Health Commissioners ?

Mr. G. S. Bajpai : I would not go so far as to say that there is no Indian senior officer, but all that I would say is that, on a comparison of the qualifications, we came to the conclusion that no equally suitable Indian officer was available for the purpose.

Mr. B. Das : Is it only a question of qualifications or does the Honourable Member's Department adopt also racial discrimination in the matter ?

Mr. G. S. Bajpai : My Honourable friend has no justification for suggesting that mine or any other Department of Government adopt a policy of racial discrimination.

Mr. B. Das : Is it not the practice of the Honourable Member's Department to follow that policy, the only exception being that when the Honourable the Leader of the House was acting as the Secretary of the Department, two Indian gentlemen were appointed to high offices in the Indian Medical Service ?

Mr. G. S. Bajpai : As a matter of fact, if my Honourable friend had been in this country recently, he would have appreciated the fact that when the Deputy Director General of the Indian Medical Service proceeded on leave for the first time in the history of the Government of India, this Department appointed an Indian to act in his place.

Mr. Lalchand Navalrai : May I know if in making this selection, only qualifications, *i.e.*, degrees, are considered or experience about the health of the Indian people is also considered ?

Mr. G. S. Bajpai : As a matter of fact, every relevant consideration is taken into account before Government come to a decision.

APPOINTMENT OF AN INDIAN AS DIRECTOR GENERAL, INDIAN MEDICAL SERVICE, OR AS PUBLIC HEALTH COMMISSIONER IN INDIA.

645. ***Mr. Jagan Nath Aggarwal :** Will Government be pleased to state if any appointment of a Public Health Commissioner has been made by them in succession to the present holder of that appointment ? If so, were the claims of qualified Indians considered in that connection ?

Mr. G. S. Bajpai : Yes.

Mr. Jagan Nath Aggarwal : What was the harm in giving the name of the person who has been appointed ?

Mr. G. S. Bajpai : My Honourable friend did not ask me to indicate the name of the officer, but I can do so now ; he is Lieutenant-Colonel Russell.

Mr. Lalchand Navalrai : Was there no Indian available for it ?

Mr. G. S. Bajpai : In dealing with the preceding question, I explained the position of Government. We considered the claims of all officers who were eligible for the post, and we came to the conclusion that Colonel Russell was the best qualified.

Mr. M. Maswood Ahmad : Will Government be pleased to state the names of the officers whose claims were considered along with Colonel Russell ?

Mr. G. S. Bajpai : I could not say off-hand the name of every individual, but at least half a dozen names were considered.

Mr. Gaya Prasad Singh : Is it the considered opinion of Government that, during the time this office has been in existence, there was not a suitable Indian available for holding this appointment ?

Mr. G. S. Bajpai : My Honourable friend will appreciate the fact that it is not possible for me off-hand to state whether, during the last many years for which the post has been in existence, Government considered the names of Indian officers. But what he would recognise is that it is only during the last few years that the number of Indian officers in the Indian Medical Service has reached sufficient proportions to enable Government to consider the claims for senior appointment of these officers. The post of Public Health Commissioner goes to a very senior officer of the Indian Medical Service and the number of Indian officers eligible for the post is very small indeed.

Mr. Gaya Prasad Singh : Do Government realise that this answer is not very complimentary to Government themselves with regard to the encouragement which they are giving to Indian officers ?

Mr. G. S. Bajpai : I do not really think that I have said anything which would lead anybody to conclude that Government's policy in this matter has been anything but what it should be.

Mr. Gaya Prasad Singh : Do Government realise that there is a general impression that Government's policy in this matter is dictated more by racial considerations than by considerations of real merit ?

Mr. G. S. Bajpai : If my Honourable friend chooses to be under an impression which is not borne out by facts, it is not for me to dispel that impression.

Mr. Lalchand Navalrai : May I know if there is any Indian who is senior to this officer and who has been superseded ?

Mr. G. S. Bajpai : No, Sir.

Mr. S. C. Mitra : Do Government also consider this question that with the retirement of these Europeans, India is deprived of their experience while, if an Indian is appointed, India can always derive profit from their experience, because they live in India after retirement ?

Mr. G. S. Bajpai : I should like to explain for the information of my Honourable friend as well as of the House that there is absolutely no question of the Government of India not appreciating the desirability of appointing Indians to these and other offices. But what I do wish Honourable Members to recognise is that, considering the limitations to which appointments in a service are subject, one cannot choose an Indian officer with, say, six years' service, merely because he is an Indian, for a post which is ordinarily given to an officer with over 20 years' service.

CENSORSHIP OF CINEMATOGRAPH FILMS.

646. ***Mr. Jagan Nath Aggarwal :** (a) Has the attention of Government been drawn to the various cinema films, passed by the Censor, to which objection has been taken by religious bodies, both Hindu and Muslim, on the ground that they offended their religious susceptibilities or that they portrayed religious personages in an objectionable manner ?

(b) Do Government propose to consider the desirability of taking action to prevent objectionable films passing the Censor and creating an alarm in the public mind ?

The Honourable Sir Harry Haig : (a) The Government of India recently received a representation on the subject from a Hindu Association and are enquiring into the matter.

(b) I would refer the Honourable Member to the reply, I gave on the 4th September, 1933, to Shaikh Sadiq Hasan's question No. 484.

FIRMS MANUFACTURING PLAYING CARDS IN INDIA.

647. ***Mr. Jagan Nath Aggarwal :** (a) Are Government aware that some private firms are manufacturing playing cards in British India and have turned out cards of very good quality ?

(b) Are Government aware that the duty on card-board imported for manufacture of these cards is no less than 33 per cent., whereas the duty on imported playing cards is only 50 per cent. ?

(c) Are Government aware that Japanese playing cards have been dumped into the Indian market during the last year or so and there is a serious danger of this nascent industry being crippled if not entirely killed ?

(d) Are Government prepared to consider the desirability of raising the duty on imported playing cards to at least 75 per cent., as has been done in the case of textiles ?

(e) Do Government propose to keep this matter in view when negotiations are opened with the representatives of the Japanese Government regarding a Trade Agreement ?

The Honourable Sir Joseph Bhore : (a), (b), (c) and (d). The Honourable Member is referred to my answer to a similar question No. 626 by Mr. S. C. Mitra.

(e) Yes.

Mr. Lalchand Navalrai : May I know what that answer was ?

Mr. President (The Honourable Sir Shanmukham Chetty) : The answer was just read out a few minutes ago and the Honourable Member cannot ask it to be repeated.

JUDICIAL OFFICERS IN THE DELHI PROVINCE.

648. **Mr. Jagan Nath Aggarwal :** (a) Are Government aware of the fact that the members of the Judiciary of the Delhi Province are generally taken on deputation from the cadre of the Punjab Civil Service ?

(b) Is it not a fact that the Punjab Government have got standing rules and instructions that the period of stay of such judicial officers in one station ordinarily should not exceed three years ?

(c) Are Government aware that there have been some glaring departures in the case of some judicial officers on the Executive side, i.e., Extra Assistant Commissioner in the Province of Delhi ?

(d) Is it not a fact that the Tehsildar of Delhi has been posted in Delhi for practically the past eight years ?

(e) Is it also not a fact that some stipendiary magistrates in Delhi have been posted there for more than five years ? If so, what are the special reasons for that ?

(f) Has not the rule of three years almost invariably been followed in the case of the members of the judicial branch of the service, i.e., Sub-Judges ?

(g) Do Government propose to scrutinize each such individual case and issue instructions accordingly ?

The Honourable Sir Harry Haig . (a) Yes.

(b) I understand the position is as stated by the Honourable Member.

(c) Instructions similar to those in the Punjab have not been issued by the Delhi Administration. The question of departure from the instructions does not therefore arise.

(d) Yes. The Tahsildar was appointed in January, 1926.

(e) No.

(f) I am informed that postings and transfers of Sub-Judges are made by the Lahore High Court.

(g) Although the rule of three years is not in force in Delhi, I would assure the Honourable Member that each case in which an officer is retained in Delhi for more than three years receives the full attention of the Delhi

Administration, and I do not consider that there are sufficient reasons for interfering with the discretion of that Administration in this matter.

Mr. Jagan Nath Agarwal : Does not the Honourable Member think that he should look into the matter rather than leave it to the Delhi Administration ?

The Honourable Sir Harry Haig : No : the Government of India have a great many duties of their own to perform, and I do not think it reasonable to ask them to perform these in addition.

Mr. Jagan Nath Agarwal : Is it lack of time and nothing else that stands in their way ?

The Honourable Sir Harry Haig : No : I think it is a principle of administration.

Mr. Lalchand Navalrai : May I know why this Tahsildar has been kept for such a long time in Delhi ? Is it for political reasons, or for some other reasons ?

The Honourable Sir Harry Haig : I imagine it is because it is felt that it is in the public interests to do so.

POSTING OF JUDICIAL AND POLICE GAZETTED OFFICERS TO THEIR HOME DISTRICTS.

649. **Mr. Jagan Nath Aggarwal :** (a) Are Government aware that except under very extraordinary circumstances, no officer, especially Judicial and Police Officers of the gazetted rank, is allowed to be posted in his own home ? If not, do Government propose to consider the expediency of this rule and issue instructions accordingly ?

(b) Will Government be pleased to lay on the table a statement showing the cases, with reasons, where departure was made in the case of officers posted in the province of Delhi during the last twelve years ?

The Honourable Sir Harry Haig : (a) I have no information whether there is any such rule in force generally. Government do not propose to issue instructions in the matter.

(b) There is no such rule in force in the Delhi Province and the question of obtaining the information desired by the Honourable Member does not therefore arise.

Mr. Jagan Nath Aggarwal : Does not this reason come under the general principle of desirability in the public interest ?

The Honourable Sir Harry Haig : I do not think there is any general rule in force, but, in the special case of Delhi, I would ask the Honourable Member to reflect that if such a rule were made, it would be impossible for any inhabitant of the Delhi Province ever to serve under his own provincial administration.

APPOINTMENT OF PRESIDENTS AND MEMBERS OF THE TARIFF BOARD FROM PROVINCES OTHER THAN BOMBAY.

650. ***Mr. S. C. Mitra** (on behalf of Mr. Bhuput Singh) : (a) Will Government be pleased to state the number of official and non-official presidents and members of the Tariff Board since its formation and the percentage of Bombay men recruited to such posts ?

(b) Do Government propose to take steps for the recruitment of men of other provinces in the future Tariff Boards ?

(c) Are Government aware that there are as good businessmen and economists in other provinces as in Bombay? If not, have Government ever enquired from Local Governments for such men for the posts of presidents and members of the Tariff Boards when formed?

The Honourable Sir Joseph Bhore : (a) I lay on the table a statement showing the name, province and period of service of each person who has served as President or as member of the Tariff Board. Only one Bombay man has been President of the Board. He held the post in an officiating capacity only for $6\frac{1}{2}$ months, his period of service being 5 per cent. of the total service of all Presidents. Two Bombay men have served as members of the Boards, their combined service expressed as a percentage of the total service of all members being 20 per cent.

(b) Does not arise.

(c) The reply to the first part is in the affirmative. The second part does not arise.

Statement showing names, provinces of origin and periods of service of Presidents and Members of the Tariff Board.

Names.	Province.	Period of Service.			
		Years.	Months.	Days.	
<i>Presidents.</i>					
Sir George Rainy (Official)	Bihar and Orissa	2	9	10	
Sir Padamji Ginwala (Non-Official) ..	Burma	3	5	6	
Mr A. E. Matthias (Official)	Central Provinces ..	1	6	19	
Dr. John Matthai (Official)	Madras	1	8	5	
Mr. F. I. Rahimtoola (Non-Official) (Offg.)	Bombay	0	6	17	
Sir Frank Noyce (Official)	Madras	0	7	21	
<i>Members.</i>					
Sir Padamji Ginwala (Non-Official) ..	Burma	2	9	9	
Mr. V. C. Kale (Non-Official)	Bombay	1	11	22	
Dr. John Matthai (Official)	Madras	5	9	15	
Sir Frank Noyce (Official)	Madras	0	1	21	
Mr. A. E. Mathias (Official)	Central Provinces ..	3	3	15	
Mr. F. I. Rahimtoola (Non-Official) ..	Bombay	2	0	15	
Mr. C. T. Boag (Official)	Madras	2	1	13	
Mr. H. R. Batheja (Official)	Bihar and Orissa ..	0	5	4	
Rai Bahadur Pt. Hari Kishen Kaul (Non-Official).	Punjab	0	6	21	
Mr. N. S. Subba Rao (Non-Official) ..	Mysore	0	6	21	

* Up to 1st August, 1933.

Mr. H. P. Mody : Are Government aware that Bombay will have no objection if, by way of a change, other provinces are allowed to get jobs on the Tariff Board and Bombay is occasionally allowed to creep into the Executive Council of the Governor General ? (Laughter.)

Mr. Lalchand Navalrai : May I know whether this Tariff Board is likely to continue very long ?

The Honourable Sir Joseph Bhore : As I think my Honourable friend knows, the Tariff Board has remitted to it for consideration the subject of the iron and steel industry ; and it will remain in existence certainly as long as it is necessary for the Board to conduct its inquiry into that particular matter. Beyond that I cannot say.

Mr. Lalchand Navalrai : Can the Honourable Member say what period that is likely to take ?

The Honourable Sir Joseph Bhore : I certainly cannot give my Honourable friend any information on the point : but they will certainly be in existence until they finish their report : it may be six or seven months, I do not know.

Mr. H. P. Mody : With reference to this answer, do I understand that there are no other applications besides the one which will be considered by the Tariff Board next month ?

The Honourable Sir Joseph Bhore : I must have notice of that question ; but, as far as my recollection serves me, there is no application at the present moment which it is intended to refer to the Tariff Board.

Mr. Amar Nath Dutt : In view of the fact that one of the biggest concerns for which the Tariff Board exists lies in Bihar and Orissa, was any gentleman of Bihar and Orissa ever nominated to the Tariff Board ?

The Honourable Sir Joseph Bhore : That, I am afraid, is not the principle upon which members are chosen for appointment to the Tariff Board.

Mr. B. Das : Do Government refer every application to the Tariff Board or do they sort out spurious applications from Indian industrialists and refer only those industries which really need protection in the opinion of Government ?

The Honourable Sir Joseph Bhore : My Honourable friend is quite right.

Mr. Amar Nath Dutt : Were the claims of those in the Retrenchment Committee of the Stores Department considered when making such appointments ?

The Honourable Sir Joseph Bhore : I can only say to the House that all suitable names were considered before appointments were made.

Mr. M. Maswood Ahmad : Will Government be pleased to state the reasons for this double scrutiny, once by the Government of India and then by the Tariff Board ?

The Honourable Sir Joseph Bhore : Obviously it is no use referring to the Board the case of an industry which *prima facie* can be disposed of at once.

Mr. Gaya Prasad Singh : Will Government consider seriously the representations coming from the Bombay millowners before referring them to the Tariff Board in future ?

The Honourable Sir Joseph Bhore : I can assure my Honourable friend that they are most carefully scrutinised.

ANÆSTHETIST IN THE RIPON HOSPITAL, SIMLA.

651. ***Mr. S. C. Mitra** (on behalf of Mr. Bhuput Sing) : (a) Is it a fact that the anæsthetist in the Ripon Hospital, who helps in the operations performed on the Government of India staff and their relations, is only a compounder ? If not, what are his medical qualifications and degrees for which he is entrusted with such an onerous duty on which depends the life and death of persons ?

(b) Will Government be pleased to state the charges prescribed by the Civil Surgeon in charge of the Ripon Hospital for the said anæsthetist for helping in the operations performed on the Government of India staff and their relations ?

(c) Are Government aware that the Civil Surgeon in charge of the Ripon Hospital, whenever he is sent for by the Indian officers, advises them to go to hospital and at times threatens to report them to their superiors as his valuable time is wasted for not getting any fees from them ? If not, do they propose to enquire into the matter ? If not, why not ?

Mr. G. S. Bajpai . (a) The answer to the first part is in the affirmative. The second part does not arise.

(b) No charges are levied from Government servants. A copy of the Ripon Hospital Rules showing the fees charged from non-entitled patients, including relatives of Government servants, was placed in the Library of the House with reference to the Honourable Member's question No. 146.

(c) Government have received no such complaint and do not, therefore, propose to make any enquiry.

RECRUITMENT OF MINISTERIAL STAFF OF THE GOVERNMENT OF INDIA SECRETARIAT AND ATTACHED OFFICES.

652. ***Mr. S. C. Mitra :** (a) Is it a fact that the recruitment of a portion of the ministerial establishment of the Government of India departments and attached offices is being done by the Public Service Commission ? If so, is it a fact that the recruitment for certain posts of ministerial establishment has been kept outside the scope of the Public Service Commission on the ground that men are required to fill posts requiring technical skill ?

(b) Will Government be pleased to state whether men recruited on technical grounds for technical posts are transferred to the regular ministerial establishment after being recruited by this back door method of nomination by the heads of departments and offices ?

(c) Are Government aware that the Anglo-Indians recruited by the Foreign and Political Department for the Cypher Bureau are invariably transferred to the regular ministerial establishment, thereby barring the prospects of those men who came by competitive examination ?

(d) Are Government aware that the Army Department recruited a relation of the Personal Assistant to the Army Secretary on grounds of technical qualifications a few years back? If so, has he been transferred to the regular establishment for being considered for promotion to the post of upper time scale Assistants and post of Superintendents?

(e) Are Government aware that another relation of the said Personal Assistant to the Army Secretary has been recruited by the Army Department on the ground of technical qualifications? If so, will Government be pleased to state what are the technical qualifications of the said candidate?

(f) Are Government aware that a relation of one of the Assistant Financial Advisers, Military Finance, was recruited a few years ago by the Military Finance without the intervention of the Public Service Commission on the ground of technical qualifications, and that attempts are being made to transfer him to the regular second division in order to avoid his stay permanently in the winter in Simla?

(g) Is it a fact that the Public Service Commission recruits technical men for technical posts of all other branches of the Government of India administration, including Railways, Telegraphs, and Civil and Mechanical Engineers, Press Foreman, Indian Stores Department technical posts and various other technical jobs? If so, will Government be pleased to state why the recruitment of a few technical men required in the Government of India Secretariat Departments cannot be entrusted to the Public Service Commission?

(h) Do Government propose to hand over the entire recruitment of the ministerial establishment including technical posts to the Public Service Commission? If not, why not?

The Honourable Sir Harry Haig : (a) The reply to the first portion is in the affirmative. As regards the second portion, the position is that though posts of a special or technical nature in offices which recruit through the Public Service Commission are not filled in the ordinary way, i.e., by an examination, selection for such posts is made through the Public Service Commission who are required to satisfy themselves that the person to be appointed is qualified to hold the post.

(b) I am making enquiries and will lay a statement on the table.

(c) The position is not as stated by the Honourable Member.

(d) The post was not a technical one at the time and the circumstances in which the appointment was made were fully explained in answer to starred question No. 909 and unstarred question No. 464 on the 24th and 21st September, 1928, respectively. The reply to the second part is in the negative.

(e) Yes, except that the post was not a technical one. A man with special practical experience of the outdoor work connected with water supplies in Cantonments was required; and the individual in question was recommended by the Cantonment authorities of the Eastern Command. The appointment was made with the express approval of the Public Service Commission.

(f) A son of an Assistant Financial Adviser was recruited to the III Division of the Military Finance Department some years ago and was con-

firmed in 1930 with the concurrence of the Public Service Commission. There is at present no question of his promotion to the II Division.

(g) The answer to the first clause is in the affirmative. As regards the second clause, I would refer the Honourable Member to the reply I have just given to part (a) of this question.

(h) Government do not see sufficient reasons for departing from the existing orders on the subject.

Mr. Gaya Prasad Singh : With reference to part (c) of the question, may I know if any Indian has been appointed to the Cypher Bureau of the Foreign and Political Department ?

The Honourable Sir Harry Haig : I am afraid I should require notice of that question.

Mr. Gaya Prasad Singh : Are Government aware that this matter repeatedly came up before the Standing Finance Committee, and that the undertaking given was that claims of Indians to appointment in the Cypher Bureau would be seriously considered and acted upon ?

The Honourable Sir Harry Haig : No : I am not aware of that : the Cypher Bureau is not under the Home Department.

Mr. Gaya Prasad Singh : I am asking the question of the Government : will the Honourable Member kindly ask his colleague on his left, the Finance Member, on this point ?

The Honourable Sir Harry Haig : I think the Honourable Member might address his question direct.

Mr. Gaya Prasad Singh : My question is addressed to the Government, and it is this : will Government kindly state if any Indian has been yet appointed on the Cypher Bureau of the Foreign and Political Department ?

Mr. B. J. Glancy : I am afraid I have not got any information on that point.

Mr. Gaya Prasad Singh : Will Government be pleased to state whether the appointment to the Cypher Bureau is made through the Public Service Commission ?

Mr. B. J. Glancy : No.

Mr. M. Maswood Ahmad : Will Government be pleased to state what are the special qualifications required for a post in the Cypher Bureau of the Foreign and Political Department ?

Mr. B. J. Glancy : There are no special qualifications required, as far as I know, except that the persons holding the appointment must be qualified to deal with the work and that they must be thoroughly reliable.

Mr. M. Maswood Ahmad : Will Government be pleased to state whether any attempt was ever made to appoint an Indian to this post ?

Mr. B. J. Glancy : I am not aware whether any attempt was made.

Mr. Gaya Prasad Singh : Is the Honourable Member aware that when a proposal was made before the Standing Finance Committee for increasing the strength of the Cypher Bureau of the Foreign and Political Department, a recommendation was made by the members of the Standing Finance Committee that the claims of Indians should be seriously considered in that Department and that some of these appointments should be given to Indians ?

Mr. B. J. Glancy : No, Sir ; I am not aware of that.

Mr. Jagan Nath Aggarwal : Is this Cypher Bureau the same Bureau which took two hours to decipher a telegram in connection with the release of Mahatma Gandhi on the 23rd August ?

Mr. B. J. Glancy : I do not think that was the Cypher Bureau of the Political Department.

Mr. Gaya Prasad Singh : May I know, Sir, if the Honourable the Finance Member has anything to say on this subject ?

The Honourable Sir George Schuster : I think I may inform the House that my friend, who has asked this question, knows more about it probably than anybody else in this House. He has always expressed a very great interest in this case which has come up several times before the Standing Finance Committee. My friend is fully aware of the difficulties that exist in the matter of appointing Indians to the Cypher Bureau, because some of the cypher used for the Cypher Bureau are only issued by His Majesty's Government on the understanding that they will be used by British officials. That is a technical difficulty. My friend is also aware that the Foreign and Political Department have been doing their best to overcome this technical difficulty. My friend, the Political Secretary, who has not been in the Department very long, is perhaps not familiar with the past history of this case. All I can do is to promise the asker of this question that I will look into this matter as Chairman of the Standing Finance Committee and inquire from the Foreign and Political Department exactly how the matter stands.

Mr. M. Maswood Ahmad : Will Government be pleased to state whether all these Anglo-Indians are British subjects ?

The Honourable Sir George Schuster : I am afraid I have been taken rather out of my sphere. I must have notice of that question.

Mr. N. M. Joshi : May I ask whether Indians are not British subjects ?

The Honourable Sir George Schuster : I think I have given all the information to the House in reply to questions which Honourable Members were entitled to ask at the present stage. I only intervened, because my Honourable colleague, the Political Secretary, is not actually familiar with this case which I am familiar with as Chairman of the Standing Finance Committee.

Mr. S. C. Mitra : From the reply given by the Honourable the Finance Member, I take it that he thinks that Indians are not " British subjects ". Is that not the necessary implication from his reply ?

The Honourable Sir George Schuster : I do not think it is a necessary implication, but I shall look up the exact rules and inform the Honourable Member what the exact rule is. I can only state that there is a technical difficulty which the Political Secretary and his Department have been doing their best to overcome.

Mr. Gaya Prasad Singh : Has not this matter been hanging fire for several years before the Standing Finance Committee ?

The Honourable Sir George Schuster : That only indicates that the technical difficulty is rather a serious one.

Mr. N. M. Joshi : May I ask what steps are being taken by Government to remove this technical difficulty ?

The Honourable Sir George Schuster : I suggest, Sir, that the question has been answered in sufficient detail now. I have promised to look into the matter, and I think that ought to satisfy Honourable Members.

Mr. Gaya Prasad Singh : Thank you.

ASSEESSES TO INCOME-TAX AND SUPER-TAX AND ASSISTANT COMMISSIONERS ENGAGED IN APPELLATE WORK IN CERTAIN PROVINCES.

653. ***Mr. Gaya Prasad Singh :** (a) Will Government be pleased to inform this House (i) of the number of assesseees to income-tax and super-tax in the Punjab, United Provinces, and North-West Frontier Province, separately ; (ii) of the number of appeals lodged against orders of assessment and the time taken in disposing of the same comparing it with the time taken previously before the limit was reduced to 1,000 rupees ?

(b) Will Government be pleased to place a statement on the table of this House showing the number of Assistant Commissioners engaged in appellate work in 1931, 1932 and 1933, and the number of appeals lodged ?

(c) How many officers in the above provinces have been granted extensions after reaching the age of retirement ? Will Government be pleased to state the reasons for granting such extensions at a time when extensive retrenchments have taken place in various Departments of the Government ?

The Honourable Sir George Schuster : (a) and (b). A statement is laid on the table. As regards the time taken in disposing of appeals, it is not possible to give any precise information as in the disposal of appeals many factors come into play and the time required varies very considerably in consequence. Some appeals are disposed of on the first hearing whereas others take several hearings when parties want adjournments for one reason or another.

(c) Extensions have so far been granted only to two officers in the United Provinces and to one in the Punjab and North-West Frontier Province. They were granted strictly in accordance with Fundamental Rule 56 in the interests of public service. In the Income-tax Department, officers with long experience are of special use in preventing attempts at evasions of tax which are by no means uncommon.

Statements showing the number of Assesseees, Appeals, etc. in the United Provinces, Punjab and North-West Frontier Province.

Province.	Year.	No. of Income-tax and Super-tax assesseees.	No. of appeals lodged.	No. of Assistant Commissioners.
United Provinces.. ..	1930-31	25,533	1,570	3
			(1931-32) 1,518	3
	1932-33	60,534	3,165	3
Punjab	1930-31	32,255	2,301	3
			(1931-32) 2,927	3
	1932-33	85,258	4,544	3*
North-West Frontier Province.	1930-31	3,316	462	}
			(1931-32) 751	
	1932-33	7,780	760	

* To cope with increase in appellate work a temporary Assistant Commissioner was sanctioned for 9 months from 1st March 1933.

† No Assistant Commissioners specially for N.-W. F. P., the cadre of Assistant Commissioners being the same for Punjab, N.-W. F. P. and Delhi.

SERVICES OF EUROPEAN INDIAN CIVIL SERVICE OR OTHER OFFICERS LENT TO PLACES OUTSIDE BRITISH INDIA.

654. ***Mr. Gaya Prasad Singh :** Will Government be pleased to state if the services of European I. C. S., or other officers, have been lent to places outside British India ? If so, what are their names, and the names of places outside British India, where their services have been lent ; and since what time ?

Mr. B. J. Glancy : The required information is being collected and will be laid on the table or given to the House.

Mr. Gaya Prasad Singh : The required information relating to the officers working in Indian States as well as in countries outside India ?

Mr. B. J. Glancy : I understand the Honourable Member's question referred to all places outside British India ?

Mr. Gaya Prasad Singh : My question referred to Indian States as well as to places outside India, both.

LOANS ADVANCED TO THE BAHAWALPUR STATE OUT OF INDIAN REVENUES.

655. ***Mr. Gaya Prasad Singh :** (a) Will Government be pleased to state the dates, and the amounts, of loans advanced to Bahawalpur State out of Indian revenues, together with the rate of interest ?

(b) Will Government be pleased to state (i) what approximately is the annual interest on the entire loan ; (ii) what the yearly revenue of the

State is ; and (iii) the steps taken by Government to safeguard the Indian revenues by securing an early repayment of the loan and its interest ?

(c) Do Government propose to remit any portion of the loan ? If so, why ?

The Honourable Sir George Schuster : (a) The initial instalment of Rs. 427 lakhs was sanctioned in September, 1926. Additional instalments have been granted in subsequent years to enable the State to meet the payments required from time to time on account of capital expenditure in connection with the Sutlej Valley Project. The total amount outstanding on the 31st of March, 1933, was approximately Rs. 11,63 lakhs. Until the end of the financial year 1930-31, the rate of interest was 6 per cent. The rate charged on the amount outstanding on the 31st of March, 1931, is $5\frac{1}{2}$ per cent. ; while the rate charged on additional instalments granted after that date will be based on the borrowing rate of the Government of India at the time.

(b) (i) The estimated interest on the entire loan for 1933-34 is approximately Rs. 63 $\frac{1}{2}$ lakhs.

(ii) The information which the Honourable Member desires is available in the publication entitled " Memoranda on the Indian States ".

(iii) An expert Committee was appointed in 1931 to report on the financial prospects of the Bahawalpur section of the Sutlej Valley Project. In accordance with their recommendations now capital works which seemed unlikely to prove remunerative were abandoned. An experienced Chief Engineer is now in charge of all Irrigation works in the State and a Special Accountant-General supervises the accounts of the Sutlej Valley Project. The budget of the Project is now entirely separate from the State budget.

(c) Government have not made any proposal on the lines suggested by the Honourable Member.

Mr. Gaya Prasad Singh : Who are the members of this Committee with regard to (c) ?

The Honourable Sir George Schuster : According to my recollection, Sir Bernard Darling, Professor Roberts and Mr. Dodson of the Punjab Government.

Mr. Gaya Prasad Singh : I could not hear the answer to the first part of my question on account of the noise of the engine, but I should like to know what is the total amount of the loan advanced to this State ?

The Honourable Sir George Schuster : I will repeat that part of the answer. The total amount, outstanding on the 31st of March, 1933, was approximately Rs. 11,63 lakhs.

Mr. M. Maswood Ahmad : Do Government propose to take steps to see that in future the railway engines do not make noise between 11 and 12 ?

Mr. H. P. Mody : Don't Government consider that information, which is readily available and which is in their possession, should be given on the floor of this House rather than that Members should be referred to publications which are not readily available ? For instance, my friend just now referred to a Manual about the States. If the

information had been given,—it was only a question of figures—if the information had been given, we would have been able to estimate whether the revenues of the State could stand the interest which it has to pay. I would venture to suggest to my friend that on all such occasions the actual information should be given instead of a Member being referred to a Manual which may not be readily available.

The Honourable Sir George Schuster : I quite sympathise with my Honourable friend's question, but I believe that the practice which we all follow in answering these questions is based on a deliberate purpose. The purpose is one of educative value to Honourable Members that, when books are available, Honourable Members should be encouraged to read them. The Members of the Government should not be asked to do work which Honourable Members can do for themselves.

Sir Cowasji Jehangir : May I know, Sir, whether the State is responsible for any deficit that may occur in the project itself from State revenues ?

The Honourable Sir George Schuster : Yes, Sir. Certainly, the State has taken the loan, and the State is responsible for meeting the interest on that loan. The responsibility is not confined to the revenue of the project itself.

Mr. Jagan Nath Aggarwal : Is it not a fact that the loan was financed during the minority of this Ruler ?

12 Noon.

The Honourable Sir George Schuster : Yes. The project was originally approved during the minority of the present Ruler.

Mr. Jagan Nath Aggarwal : And that the Council of Regency did not give their unqualified assent to it, and that the Punjab Government or the Government of India took the responsibility for the success of this scheme ?

The Honourable Sir George Schuster : That is a very complicated issue. That State have their own views on the subject which are not entirely accepted by the Government of India.

Sir Cowasji Jehangir : Have the State got to make up any deficit from their revenues in order to pay the interest ?

The Honourable Sir George Schuster : Up to the present, interest has been added to the capital of the project, because the period of construction is not yet completed.

Mr. Lalchand Navalrai : May I know from the Honourable Member if, after the report of this Committee, there is any fear on the part of the Government that the loan will not be repaid by the Bahawalpur State ?

The Honourable Sir George Schuster : I think it is well-known to Honourable Members, certainly it must be known to the Honourable Member who has asked this question, that the present condition as regards this project is not a satisfactory one. The project was undertaken at a time when all over the world many projects were being undertaken on the basis of expectations of high post-war prices. The project has suffered, as many projects have suffered all over the world, and elsewhere in India by the catastrophic fall in prices which has occurred. That has resulted in delay in the sales of land which has

increased the capital debt outstanding on account of the project. The question of how we are going to deal with this matter in the future is a difficult one which is now under the consideration of the Government of India and has been under their consideration ever since the expert Committee reported.

Mr. Lalchand Navalrai : May I know from the Honourable Member whether the question of responsibility of repaying this debt has been finally settled between the Government and the State ?

The Honourable Sir George Schuster : No, Sir. The question is still under consideration. It has not been finally settled yet.

Sir Cowasji Jehangir : May I take it from the Honourable Member that the Assembly will be consulted before a final arrangement is made with regard to this big sum, especially in view of the Federation coming into existence before long ?

The Honourable Sir George Schuster : I am afraid I cannot give my Honourable friend any such undertaking. I shall be very glad to give the Assembly every possible information on the subject, but this is a matter between the Government of India and an Indian State and I could not give an undertaking that the Assembly would be consulted about it.

Sir Cowasji Jehangir : The Honourable the Finance Member realises that the monies that the Government of India may lose or may have to write off as a bad debt belong to the people of India and that this Assembly is responsible to the taxpayers of this country for any monies that the Government of India may have to write off. In that case, on one side it is the Assembly and, on the other side, it may be an Indian State. The Assembly is very intimately connected with this matter.

The Honourable Sir George Schuster : I quite appreciate the point which has been put by my Honourable friend. I may say that I hope that it will be possible to arrange this matter in such a way that a large sum may not have to be written off. I fully recognise that this Assembly has an interest in the matter if it involves a loss of revenues of British India. I only hesitated to give my Honourable friend the undertaking which he asked, because I should like to have time to consider this matter. But I certainly appreciate the point of view which he has put forward.

Mr. B. Das : Is it not a fact that the Punjab Government was solely responsible for the design of this project, and, if any financial loss should occur, should it not morally go to the Punjab Government and not to the Government of India ?

The Honourable Sir George Schuster : The Punjab Government have a strictly limited liability so far as the design of the project is concerned. The Punjab Government undertook to carry out the engineering part of the work. If there is any loss on this project, it is not primarily due to any fault in the design of the works, but due to the failure of the expectations of land sales which itself is due to the catastrophic fall in prices to which I have already referred.

Mr. N. M. Joshi : May I ask what is the justification of using British Indian money for the sake of Indian States ?

The Honourable Sir George Schuster : It has always been the practice of the Government of India to advance money to Indian States after projects have been carefully scrutinised and it appears that the money will be secure.

Mr. S. C. Mitra : May I draw the Honourable Member's attention to part (b) (i) and (ii) of the question, where the questioner wanted to know if the income of the State was more than Rs. 63 lakhs, the amount of interest which had annually to be paid ? Will the Honourable Member answer that question without referring us to books and volumes ?

The Honourable Sir George Schuster : I have already explained why, following the usual practice, I referred the questioner to a particular publication in which he will find the information as to what is the revenue of the State. But that will not entirely answer the question, because that information only covers the revenue of the State independently of the project. The question of the revenue of the project is a speculative matter on which it is not possible at present to make certain estimates.

Mr. S. C. Mitra : The questioner wanted to know if the revenue of the State was greater than the annual interest of Rs. 63 lakhs that they were liable to pay for the loan of 11 crores for this project.

The Honourable Sir George Schuster : My Honourable friend will get the information which he requires if he refers to the publications to which I have referred.

Sir Cowasji Jehangir : May I know whether or not a portion of the project is in working order ?

The Honourable Sir George Schuster : Part of the project is working, but the full construction is not yet over.

Sir Cowasji Jehangir : Is it not the agreement that the annual interest should be charged to capital on that part of the project which is not completed, and, as for the other part of the project, which is completed and is in working order and which may be making a loss, that that loss should be made up for the time being from State revenues and the whole of the interest cannot be added to capital while one part is completed and the other part is not ?

The Honourable Sir George Schuster : I can only tell my Honourable friend that the rules of accounting procedure in regard to this project have been properly followed and that the procedure has been passed by the Auditor General in the usual way.

Mr. B. R. Puri : May I know, if a serious attempt to realise the debts was made as against the State, what would be the consequences of that to the State itself ? I am sure that information is not available in that book.

The Honourable Sir George Schuster : It is quite obvious that if an attempt were made now to force the State to repay a sum of over Rs. 11 crores which has been borrowed to finance a project which is not yet in full working order, the State would be put to extremely financial difficulties.

Mr. N. M. Joshi : May I ask a question ? Whatever may be the old practice, in view of the new constitution in which the paramountcy

powers will rest with the Crown and not with the Government of India, will the Government of India consider the desirability of putting a stop to the practice of lending money to the Indian States ?

The Honourable Sir George Schuster : I would suggest that my Honourable friend, who is going to London, might raise that point there.

UNSTARRED QUESTIONS AND ANSWERS.

APPOINTMENT OF A SIKH AS A JUDGE IN THE LAHORE HIGH COURT.

9. **Sirdar Sohan Singh :** (a) Are Government aware that out of 12 Judges on the Bench of the Lahore High Court three are Hindu lawyers, three Muhammadan lawyers, one Indian Christian lawyer and one a Hindu officer of the Indian Civil Service, and that a Sikh has not been appointed to that Bench ever since the said High Court and its predecessor, the Chief Court came into existence in 1866 ?

(b) Are Government aware that there will be five vacancies on the Bench of the said High Court to be filled up in October next—two due to the retirement of Messrs. Broadway and Harrison, one Inspection Judge and two Additional Judges ?

(c) Are Government aware that there are now three Sikh District and Sessions Judges and a number of Sikh lawyers available for selection for being elevated to the Bench of the said High Court ?

(d) Are the Government of India aware that the feelings of the Sikhs are intense in the matter ?

The Honourable Sir Harry Haig : (a) With regard to the present composition of the Court, the Honourable Member's information is correct with this exception that there are only two Muslim Judges on the Court and not three. I am prepared to accept the Honourable Member's statement that no Sikh has so far been appointed to the Court.

(b) The answer is in the affirmative.

(c) The qualifications for High Court Judges are laid down in section 101 (3) of the Government of India Act. I am not aware of the number of Sikh District and Sessions Judges and lawyers who fulfil these qualifications.

(d) Government have received certain representations on the subject.

PERSONS GETTING EXTENSIONS AFTER REACHING THE AGE OF SUPERANNUATION IN THE DEPUTY COMMISSIONER'S OFFICE, DELHI.

10. **Mr. M. Maswood Ahmad :** (a) Will Government please state the number of those persons who have reached the age of superannuation in the Deputy Commissioner's Office, Delhi, and who are still getting extensions ?

(b) How do Government justify these extensions in these days of financial stringency ?

The Honourable Sir Harry Haig : With your permission, Sir, I propose to reply to questions Nos. 10, 11, 13 and 14 together. The information asked for is being collected and will be laid on the table.

GRIEVANCES OF APPRENTICES WORKING IN THE DEPUTY COMMISSIONER'S OFFICE, DELHI.

†11. **Mr. M. Maswood Ahmad :** (a) Is it a fact that both paid and unpaid apprentices who are working in the Deputy Commissioner's Office, Delhi, for the last ten or eleven years, have been deprived of being given permanent posts and preference is generally given to outsiders ? If so, why ?

(b) How many apprentices (paid and unpaid, separately) are working for the last ten years in the English and Vernacular Offices and for what period have they been working ?

(c) How many clerks and apprentices have been transferred during this period from English to Vernacular Office and *vice versa* ? What pay are they drawing now and what was the cause of their transfer ?

(d) Is it a fact that some apprentices and clerks submitted several representations in this connection to the Deputy Commissioner, Delhi ? If so, what action was taken in the matter ?

PERMANENT CLERKS WORKING IN THE SUB-REGISTRAR'S OFFICE, DELHI.

12. **Mr. M. Maswood Ahmad :** (a) Will Government please state the number of permanent clerks working in the Sub-Registrar's Office, Delhi ?

(b) Will Government also please state the number of paid and unpaid candidates, separately, in the same office ?

(c) Is it a fact that these candidates are allowed to enter the original registered documents in Book No. 1 and copy the same ? If so, who is responsible for this system and what steps do Government propose to take in the matter ?

The Honourable Sir Harry Haig : (a) Eight.

(b) One paid and two unpaid.

(c) The answer to the first part of the question is in the negative ; the second part does not arise.

COMMUNAL COMPOSITION OF THE CLERKS IN THE DEPUTY COMMISSIONER'S OFFICE, DELHI.

†13. **Mr. M. Maswood Ahmad :** (a) Will Government please lay on the table a statement showing the communal composition of the clerks (both paid and unpaid, separately) in the Deputy Commissioner's Office, Delhi ?

(b) How many out of these belong to (i) Delhi and New Delhi, proper, and (ii) rural areas in the Province of Delhi ?

DETERMINATION OF SENIORITY IN THE DEPUTY COMMISSIONER'S OFFICE, DELHI.

†14. **Mr. M. Maswood Ahmad :** (a) Will Government kindly say how seniority is determined in the Deputy Commissioner's Office, Delhi ?

(b) Is any regular register kept for this purpose ? If not, why not ?

†For answer to this question, see answer to question No. 10.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

15. **Khan Bahadur Haji Wajihuddin :** (a) Is it a fact that retrenchments have been made in the Survey of India Department ?

(b) What are the grades of gazetted officers of the Department ? What was the sanctioned number of officers in each grade before retrenchment and what is the number remaining in each grade after the retrenchment ?

(c) How many among the retained officers in Class II service have put in 25 years' service and more ?

(d) How many of the retrenched officers of Class II service have put in between 5 and 15 years' service ? How many of these are Indians and how many Europeans or Anglo-Indians ?

Mr. G. S. Bajpai : (a) Yes.

(b).

Grades and Posts of Gazetted Officers.	Sanctioned number of officers.	
	Before retrenchment.	After retrenchment.
<i>Class I Service—</i>		
Directly recruited	52	30
Promoted from Class II	11	6
<i>Class I General Service</i>	2	2
<i>Class II Service</i>	80	56
<i>Class II General Service</i>	5	5

(c) 13 officers had completed 25 years' service or more at the time the retrenchment board met.

(d) 4 officers, all of whom are Indians.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

16. **Khan Bahadur Haji Wajihuddin :** (a) Is it a fact that the retrenchments in the Survey of India Department have been ordered in accordance with the decisions or recommendations of a Retrenchment Board composed of officers of the Department ?

(b) Is it a fact that one of the members of the said Board belongs to Class II and another was promoted from Class II to Class I a few years ago ?

(c) What was the serial number of the Class II officer in that class at the time he sat as a member of the Board ?

(d) Was he the seniormost officer in the Class available at Calcutta ? If not, how was he considered competent to be associated in the decisions relating to his own case and the cases of officers senior to him ?

Mr. G. S. Bajpai : (a) The Board's recommendations were taken into consideration in selecting officers for retrenchment.

(b) Yes.

(c) 46.

(d) The answer to the first part is in the negative. There were other members on the selection board who were competent to be associated in decisions relating to the case of this officer and the cases of officers senior to him. He was not considered competent for this purpose.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

17. **Khan Bahadur Haji Wajihuddin :** (a) Is it not a fact that the said member (Class II) of the Retrenchment Board for the Survey of India Department was suspended in 1919 and his pay reduced ?

(b) Is it not a fact that the Class II officers of the Central Circle of the Department protested by a telegram against his inclusion in the Board ?

Mr. G. S. Bajpai : (a) Yes.

(b) No record of such protest is traceable.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

18. **Khan Bahadur Haji Wajihuddin :** (a) Is it a fact that the officiating Surveyor-General visited the Circle Headquarters some time before the date of the meeting of the Retrenchment Board and had consultations with the officers there, and returned with a preconceived or provisional list of officers to be retrenched ?

(b) Was any common test held among all the officers for the selection of the least efficient among them for retrenchment ? If not, why not ?

Mr. G. S. Bajpai : (a) The then officiating Surveyor General visited the various Circle Headquarters during his monsoon tour which was just prior to the convening of the Retrenchment Board. The reply to the latter part of the question is in the negative.

(b) The common test applied was the record of their work over a number of years.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

19. **Khan Bahadur Haji Wajihuddin :** (a) Is it a fact that on the first day's sitting of the Retrenchment Board of the Survey of India Department, a list of officers to be retrenched was drawn up, in accordance with the general instructions issued by Government in the matter of effecting such retrenchments ?

(b) Is it not a fact that the list so prepared on the first day underwent some revisions, due to additions and subtractions being made therein ?

(c) Is it a fact that when once the least efficient were selected and more were required to be retrenched, the Board instead of retrenching officers by seniority, again started selecting and thus threw out many officers with no faults?

Mr. G. S. Bajpai : (a) Yes.

(b) Government have no information.

(c) No.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

20. Khan Bahadur Haji Wajihuddin : (a) Is it not a fact that non-official gentlemen are included in the Boards for selecting candidates to appear for the competitive examinations for recruitment to Class II of the Survey of India Department?

(b) If so, what reasons prevented the authorities from including non-officials in the Retrenchment Board referred to previously?

Mr. G. S. Bajpai : (a) Yes.

(b) Only such persons as had an intimate knowledge of the organisation of the department could give useful advice.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

21. Khan Bahadur Haji Wajihuddin : (a) Is it a fact that the Surveyor General, in his evidence before the Retrenchment Committee, mentioned that Class II officers above the age of 50 were not suitable to be kept on?

(b) If so, how is it that many officers of Class II (including those recently promoted to Class I), who are above 50 years old have been retained and young officers have been retrenched?

(c) Is it a fact that more than 40 per cent. of the Class II officers now retained have completed 25 years or more service?

Mr. G. S. Bajpai : (a) There is nothing to this effect on record.

(b) Does not arise.

(c) As stated in the reply to part (c) of question No. 15, thirteen officers who had completed 25 years' service or more at the time of retrenchment were retained. This is 23 per cent. of the revised strength.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

22. Khan Bahadur Haji Wajihuddin : (a) Will Government be pleased to state the number of Anglo-Indians and Indians among the retrenched Class II officers of the Survey of India Department?

(b) How many retrenched Anglo-Indian officers referred to in part (a) have put in less than 15 years service and how many retrenched Indian officers from class II have put in less than 15 years of service?

(c) Will not the removal of such a large percentage of younger or junior officers among Indians result in the proportion of Indian officers in the Department being reduced more quickly than under normal conditions, when the senior officers retained now retire in the usual course?

Mr. G. S. Bajpai :	(a)	Anglo-Indians	..	..	11	..
		Indians	..	..	10	..
	(b)	Anglo-Indians	..	..	..	<i>Nil</i>
		Indians	..	..	..	4

(c) The percentage of junior Indian officers retrenched being small, the question does not arise.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

23. Khan Bahadur Haji Wajihuddin : (a) Is it a fact that in the Survey of India Department an Anglo-Indian officer of 28 years' service, who had been ordered to be retrenched, was subsequently taken in ?

(b) Is it a fact that only one of the seven officers promoted to this service from the lower ranks is retrenched ?

Mr. G. S. Bajpai : (a) Yes.

(b) Yes.

NON-RECRUITMENT OF RETRENCHED HANDS OF THE SURVEY OF INDIA DEPARTMENT.

24. Khan Bahadur Haji Wajihuddin : Is it a fact that in filling up the post of the Deputy Director of Survey under the Government of Bihar and Orissa, on the retirement of the previous incumbent, the Surveyor General recommended an Anglo-Indian officer who had retired from the Survey of India ? If so, why was not a suitable officer from the active list selected for the post ?

Mr. G. S. Bajpai : The officer who was selected for this post was retrenched from Class I of the Survey of India. Employment was therefore provided for one of the retrenched officers.

COMPETITIVE EXAMINATION FOR FILLING UP OF VACANCIES IN THE SURVEY OF INDIA DEPARTMENT.

25. Khan Bahadur Haji Wajihuddin : (a) Is it a fact that there have now occurred seven vacancies in the Class II service of the Survey of India Department, and that applications have been invited from candidates to sit in the competitive examination that will be held for selection of candidates to fill up the said seven vacancies in the Class II service ?

(b) Are Government prepared to view with favour the cases of retrenched Class II officers of the Survey of India Department with five to fifteen years' service, and arrange for their being called in, before any fresh recruits are taken, to fill up the vacancies now in that Class of service of the Department ?

Mr. G. S. Bajpai : (a) Yes.

(b) The Honourable Member is referred to the reply given to part (c) of starred question No. 346 in the Legislative Assembly on the 1st September, 1933.

**QUALIFICATIONS OF CHARGEMEN IN THE CARRIAGE AND WAGON SHOPS,
NORTH WESTERN RAILWAY, MOGHALPURA.**

26. Sardar Sant Singh : (a) Will Government please state the percentage ratio of the chargemen of each community, with their academic and technical qualifications, employed in 1921-31, in the Carriage and Wagon Shops, North Western Railway, Moghalpura ?

(b) Will Government be pleased to state the number, names, and salaries offered to chargemen recruited with the approval of the Railway Board, and how many have since been discharged for (i) consistent inefficiency, (ii) and otherwise, respectively, since 1921, and also state whether it was deemed necessary to get the Railway Board's sanction ? If so, under what circumstances ?

(c) Will Government be pleased to state the name of the authority competent enough to order transfers of persons of the said rank from one branch to another, and from one section to another and also state reasons for which such transfers are usually recommended in the Carriage and Wagon Shops at Moghalpura ?

Mr. P. R. Rau : (a) Government regret that they are not prepared to supplement with figures for particular classes of posts the information in regard to communal representation in Railway Services given in the Annual Administration Report on Indian Railways.

(b) and (c). I have called for the information and will lay a reply on the table in due course.

**SUSPENSION AND DISCHARGE OF CERTAIN CHARGEMEN IN THE CARRIAGE
AND WAGON SHOPS, MOGHALPURA, NORTH WESTERN RAILWAY.**

27. Sardar Sant Singh : (a) Will Government be pleased to state the authority competent to appoint, suspend, discharge, and dismiss, and also define principles adopted in the suspension, discharge, dismissal and withholding of increments of, chargemen in the Carriage and Wagon Shops at Moghalpura, North Western Railway ?

(b) Will Government be pleased to state the distinction which exists between discharge and dismissal, and is it a fact that in discharge cases no orders can be issued which may entail further consequences, such as harring re-employment ?

(c) Is it a fact that under the rules and orders issued by the Government of India, Railway Board and Agent's Circulars, strict justice should be administered and special efforts should be made to avoid hardship when discharging persons employed against substantive permanent posts ? If so, will Government be pleased to state if the spirit of the rules is being strictly observed while discharging chargemen of the Carriage and Wagon Shops, Moghalpura ?

(d) Is it a fact that Home Department Resolution No. 1568-1595 (Establishment), dated the 14th September, 1915, clearly provides that no person should ordinarily be discharged, or dismissed, on grounds of inefficiency, unless he has been given a written warning to that effect, or fined or reduced ? If so, will Government be pleased to state the names of persons discharged, if any, in (i) contravention of the aforesaid rules, and (ii) otherwise, separately amongst the chargemen in the Carriage and Wagon Shops at Moghalpura ?

(e) Is it a fact that under the rules in force an employee can be placed under suspension on a serious charge until his case has been decided by the authority competent to dismiss him, and he should be given a chance to clear his position? If so, will Government be pleased to state the number of persons suspended and discharged without being given any opportunity to explain their conducts, *vide* Home Department Resolution No. 1568-1595 (Establishment), dated 14th September, 1915, and without being served with charge sheets showing the specific acts on their part, the names of the chargemen who were suspended for one offence (insubordination), and discharged for another (inefficiency), Carriage and Wagon Shops, Moghalpura?

Mr. P. R. Rau : (a) and (c). The attention of the Honourable Member is invited to the "Rules regulating the discharge and dismissal of State Railway non-gazetted Government servants", a copy of which is already in the Library of the House. Government have no reason to believe that these orders are not carried out on the North Western Railway.

(b) A discharged employee may be re-employed but one who is dismissed cannot be re-employed.

(d) The Home Department Resolution referred to by the Honourable Member does not deal with discharge or dismissal of employees but with the procedure for periodical reports.

(e) The reply to the first part is in the affirmative. As regards the latter part, Government have no information that the rules are not followed in their entirety on the North Western Railway.

AMALGAMATION OF CLERICAL GRADES IN THE AUDIT DEPARTMENT, NORTH WESTERN RAILWAY.

28. **Mr. M. Maswood Ahmad :** (a) Are Government aware of the article headed "North Western Railway Audit Office" published in the *Pilot*, Amritsar, dated the 13th August, 1933?

(b) Will Government be pleased to place on the table a copy of the present seniority list of clerks, grade II, as also the one according to the length of service and efficiency?

(c) Do Government propose to separate the seniority of qualified auditors from that of the clerks for the purpose of promotion in clerical grades?

(d) Is it a fact that there is only one grade in the office of the Accountant General, Punjab?

(e) Are Government prepared to consider the amalgamation of clerical grades I and II in the Railway Audit Department and the formation of one grade of 50—5—200 as suggested in the concluding paragraph of the said article?

The Honourable Sir George Schuster : (a) Yes.

(b) A copy of the present seniority list is placed on the table. This is also the list according to the length of service in the lower grade and efficiency as determined by (1) success in the Subordinate Accounts Service examination and (2) service in Class I.

(c) It is already separate. Group A of the seniority list shows the seniority of the clerks class II who have passed the Subordinate Railway Audit Service Examination.

(d) Yes.

(e) There is no such intention.

Copy of the Reversed Seniority List of class II clerks of the office of the Chief Auditor, North Western Railway, as it stood on the 4th May 1933.

Group A (Consisting of men who have passed the Subordinate Railway Audit Service Examination).

1. Mr. Ajmer Singh.

2. Mr. Sardari Lal.

Group B (Consisting of men who have past service in class I according to the length of that service).

3. Mr. Tulsi Das.

4. Mr. Dhani Ram.

5. Mr. Durga Dass Chri (on deputation).

6. Mr. Nand Lal.

7. Mr. Thaneshwar Dass.

8. Mr. Hans Raj.

9. Mr. Lila Dhar.

10. Mr. Wazir Chand.

11. Mr. Tulsi Ram.

12. Mr. Savindar Singh.

13. Mr. Krishena Kumar.

14. Mela Ram Seth.

15. Mr. Parkash Sarup Puri.

Group C (Consisting of men who have service only in the Lower grade).

16. Mr. Hakumat Rai.

17. Mr. Mohd. Tuffail.

18. Mr. T. G. Gonsalves.

19. Mr. Shiv Shankar.

20. Mr. Abdul Karim Khan.

21. Mr. Chella Ram.

22. Mr. James O'Reilly.

INDIAN RESEARCH FUND ASSOCIATION WORK DONE BY THE ASSISTANT-IN-CHARGE OF THE PUBLIC HEALTH SECTION OF THE OFFICE OF THE DIRECTOR GENERAL, INDIAN MEDICAL SERVICE.

29. **Mr. A. Das :** (a) Will Government be pleased to state whether it is a fact that the Assistant-in-charge of the Public Health section of the office of the Director General, Indian Medical Service, was and is doing the work of the part time Assistant Secretary of the Indian Research Fund Association in addition to his own duties and is getting some allowance for doing that work ?

(b) Is it a fact that the Public Health Commissioner with the Government of India, who is the section officer of the Public Health section of the office of the Director General, Indian Medical Service, is the Secretary of the Indian Research Fund Association ?

(c) Is it a fact that the same Assistant-in-charge was allowed to draw, in addition to his own pay, an allowance of Rs. 250 per mensem for

the work of the Indian Research Fund Association without the previous sanction of Government ?

(d) How long was this allowance drawn by him and what was his substantive pay in the Assistant's grade when he was allowed to draw the allowance of Rs. 250 per mensem ?

(e) What amount was later sanctioned by Government ?

(f) Are Government prepared to place on the table the correspondence regarding the waiving of the recovery in question ?

Mr. G. S. Bajpai : (a) Yes.

(b) Yes.

(c) Yes, but with the previous sanction of the Governing Body of the Indian Research Fund Association, which was meeting the cost.

(d) From 1st March, 1932, to 15th December, 1932. When the allowance was first sanctioned by the Governing Body of the Association, his substantive pay as an Assistant in the Office of the Director General, Indian Medical Service, was Rs. 332 per mensem in the grade of Rs. 200—12—440 *plus* a special pay of Rs. 50 per mensem for holding charge of the Public Health Section in that office.

(e) Rs. 100 per mensem.

(f) No.

CREATION OF THE POST OF ASSISTANT SECRETARY IN THE INDIAN RESEARCH FUND ASSOCIATION.

30. **Mr. A. Das :** (a) Is it a fact that a whole-time appointment of Assistant Secretary has been created in the Indian Research Fund Association ? If so, what is the date of the sanction ?

(b) What qualifications are required by a candidate to be eligible for the appointment ?

(c) Has anybody been appointed to the post ? If not, why not ?

(d) Why was the appointment of the Assistant Secretary created ? What efforts were made to fill the appointment ?

(e) Is it true that candidates went to the Public Health Commissioner and the Secretary of the Indian Research Fund Association to try for the job, but he did not approve of any candidate, nor is he prepared to fill the vacancy ?

(f) What are the academic and other qualifications of the Assistant in charge of the Public Health Section and what were those of the candidates who went to see the Public Health Commissioner to try for the post of the Assistant Secretary of the Indian Research Fund Association ?

(g) How many times during the last two and a half years has the Public Health Commissioner or the Secretary of the Indian Research Fund Association approached Government with a view to give personal benefit to this Assistant ?

(h) How many allowances, and of what denominations, out of the Indian Research Fund Association fund have been granted through the Public Health Commissioner or the Secretary of the Indian Research Fund Association to the clerks of the Public Health section of the office of the Director General, Indian Medical Service ?

Mr. G. S. Bajpai : (a) No.

(b) to (e). Do not arise.

(f) The qualifications of the Assistant-in-Charge are considered by his superior officers to be suitable for the work he is doing. The second part of the question does not arise.

(g) The Public Health Commissioner made suggestions once which would also have benefited the Assistant financially but this would have been in return for work done for the Indian Research Fund Association.

(h) An allowance of Rs. 50 per mensem from the funds of the Indian Research Fund Association has been granted with the approval of the Governing Body to the Public Health Commissioner's stenographer, for doing stenographer's work for the Secretary to the Governing Body of the Association.

PROMOTIONS OF OFFICERS OF THE TRANSPORTATION (TRAFFIC) AND COMMERCIAL BRANCHES OF THE NORTH WESTERN RAILWAY.

31. Sirdar Sohan Singh : (a) Are Government aware that there is a block in the promotion of officers on the North Western Railway serving in the Transportation (Traffic) and Commercial Branches ?

(b) Are Government aware that officers serving in these branches on the Eastern Bengal and East Indian Railways, who are considerably junior to officers on the North Western Railway, are working as District officers while the latter continue to serve as Assistant officers ?

(c) If the replies to parts (a) and (b) are in the affirmative, will Government please state what action they have taken to remove this grievance of the North Western Railway officers ?

(d) Is it a fact that five names were submitted by the North Western Railway for transfer to the other railways as recently as last April and no move has yet been made in this direction ? If not, why not ?

Mr. P. R. Rau : (a) and (b). I understand there is little difference between one railway and another in this matter with the exception of one officer on the Eastern Bengal Railway, the junior most officers officiating in the senior scale on all these railways joined service before 1920.

(c) The Railway Board are considering whether any steps can be taken to make the chances of promotion on different railways approximately the same, but the question is very complicated and I am afraid no steps that can be taken can equalise chances exactly, or for any considerable period.

(d) Suggestions for transfer have been called for from all Railway administrations and they are under the consideration of the Board.

IMPROVEMENT IN THE DESIGN OF A BONE-CRUSHER.

32. Mr. S. C. Mitra : Will Government please state when they will declare the winner of the prize of Rs. 3,500 offered by the Imperial Council of Agricultural Research for the design of an improved bone-crusher for which designs were submitted to the Secretary, Imperial Council of Agricultural Research, before the 1st November, 1931 ?

Mr. G. S. Bajpai : The Imperial Council of Agricultural Research expects to be able to announce the result in the course of the current year.

ELECTION OF MEMBERS TO THE STANDING COMMITTEES FOR THE DEPARTMENTS OF COMMERCE AND INDUSTRIES AND LABOUR.

Mr. President (The Honourable Sir Shanmukham Chetty) : I have to inform the Assembly that the following Members have been elected to the Standing Committees for the Departments of Commerce and Industries and Labour, respectively :

Standing Committee for the Department of Commerce.

Mr. R. T. H. Mackenzie,
Mr. S. C. Mitra, and
Kumar Gupteshwar Prasad Singh.

Standing Committee for the Department of Industries and Labour.

Mr. G. Morgan,
Kunwar Hajee Ismail Ali Khan, and
Haji Chaudhury Muhammad Ismail Khan.

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Frank Noyce (Member for Industries and Labour) : Sir, I lay on the table :

- (i) the information promised in reply to unstarred question No. 39 asked by Pandit Satyendra Nath Sen on the 25th February, 1933 ;
- (ii) the information promised in reply to starred question No. 486 asked by Mr. N. M. Joshi on the 25th February, 1933 ;
- (iii) the information promised in reply to part (d) of unstarred question No. 79 asked by Mr. S. C. Mitra on the 8th March, 1933 ;
- (iv) the information promised in reply to unstarred question No. 101 asked by Mr. Rameshwar Prasad Bagla on the 13th March, 1933 ;
- (v) the information promised in reply to part (d) of starred question No. 739 asked by Mr. Rameshwar Prasad Bagla on the 13th March, 1933 ;
- (vi) the information promised in reply to parts (b) and (d) of starred question No. 807 asked by Mr. Muhammad Anwar-ul-Azim on the 20th March, 1933 ;
- (vii) the information promised in reply to starred question No. 808 asked by Mr. Muhammad Anwar-ul-Azim on the 20th March, 1933 ;
- (viii) the information promised in reply to starred question No. 812 asked by Seth Haji Abdoola Haroon on the 21st March, 1933 ;
- (ix) the information promised in reply to starred question No. 865 asked by Mr. D. K. Lahiri Chaudhury on the 22nd March, 1933 ;
- (x) the information promised in reply to starred question No. 910 asked by Mr. Muhammad Muazzam Sahib Bahadur on the 24th March, 1933 ;
- (xi) the information promised in reply to unstarred question No. 124 asked by Mr. S. C. Mitra on the 27th March, 1933 ;

- (xii) the information promised in reply to parts (c) and (e) of starred question No. 1024 asked by Mr. Muhammad Anwar-ul-Azim on the 1st April, 1933 ;
- (xiii) the information promised in reply to starred question No. 1041 asked by Mr. Muhammad Anwar-ul-Azim on the 1st April, 1933 ; and
- (xiv) the information promised in reply to starred question No. 1201 asked by Maulvi Sayyid Murtuza Saheb Bahadur on the 10th April, 1933.

EXAMINATIONS FOR BAUDOT SUPERVISORS AND TELEGRAPH MASTERS.

Statement.

39.

	(i)	(ii)	(iii)*	(iv)	(v)	Remarks.
Circles.	No. of telegraphists qualified in departmental examinations (Telegraph Mastership and Baudot Supervisorship examinations) and awaiting promotion to the Telegraph Master's cadre.	Total sanctioned strength of Baudot Supervisors.	Number of Telegraphists qualified in ordinary Baudot Supervisory examination awaiting appointment as Baudot Supervisors.	No. of telegraphists qualified in Higher Baudot Technique subjects only awaiting appointment as Baudot Supervisors.	No. of telegraphists qualified in both subjects referred to in (iii)* and (iv) awaiting Baudot Supervisory appointments.	*Presumably the Hon'ble Member means (iii) and not (ii) as stated by him.
1. Bengal and Assam	21	29	0	2	1	
2. Bihar and Orissa ..	3	2†	0	1	1	
3. Bombay ..	72	32	8	2	0	
4. Burma	24	19	0	2	1	
5. Central	21	9	0	2	0	
6. Madras	30	22	0	1	0	
7. Punjab and N. W. F.	45	19‡	1	0	7	
8. Sind and Baluchistan	15	8	0	1	6	
9. United Provinces ?	32	32	0	0	0	
Total ..	263	172	9	11	16	

*Figures in column (iii) do not include the men with double qualification shown in column (v).

†Both posts temporarily held in abeyance.

‡Including 3 posts held in abeyance.

POSTAL CLERKS IN EACH POSTAL CIRCLE.

Statement.

*486.

Circle.			(a)	(b)
			No. of posts in the Lower Division clerical cadre in the Postal Department at the end of December 1932.	No. of posts in the Upper Division clerical cadre in the Postal Department converted into the Lower Division up to the end of December 1932.
Bengal and Assam	Circle	..	857	155
Bihar and Orissa	"	..	298	43
Bombay	"	..	496	217
Burma	"	..	271	102
Central	"	..	379	122
Madras	"	..	404	175
Punjab and N. W. F.	"	..	409	118
United Provinces	"	..	411	74
Sind and Baluchistan	"	..	67	18

RETRENCHMENTS IN THE TELEGRAPH TRAFFIC AND TELEGRAPH ENGINEERING BRANCHES OF THE TELEGRAPH DEPARTMENT.

79. (d) On the 1st April, 1932, there were 173 posts held by gazetted officers in the Telegraph Engineering Branch and 86 in the Telegraph Traffic Branch. Up to the 31st January, 1933, 11 of the former and 10 of the latter were brought under reduction.

SELECTIONS OF ELECTRICAL SUPERVISORS FOR CARRIER CURRENT WORK IN THE CENTRAL TELEGRAPH OFFICE, CALCUTTA.

101. (a) The facts are not exactly as stated by the Honourable Member. The Electrical Engineer-in-Chief made the selections in consultation with the Director of Telegraph Engineering, the Divisional Engineer, Telegraphs, Calcutta West Division and the Chief Superintendent, Central Telegraph Office, Calcutta. The Assistant Electrical Engineer was also required to be present to render any assistance that might be required of him.

(b) Two trained candidates were selected after being orally examined by the Electrical Engineer-in-Chief on those technical subjects with which it is necessary for the candidates to be conversant.

(c) No.

(d) Yes.

(e) No, the matter has already been inquired into by the Director-General and Government are satisfied that all the candidates trained in the carrier current system were granted interviews.

PLATFORM RAISED BY MUSLIM EMPLOYEES IN THE COMPOUND OF THE
LAHORE GENERAL POST OFFICE.

*739. (a) The reply to the first part of the question is in the negative. As regards the second part Government have decided, after due consideration, that in future permission to erect such structures will not as a rule be granted to the members of any community.

RECRUITMENT OF GARHWALI HINDUS IN THE QUETTA HEAD POST OFFICE
AS PACKERS AND POSTMEN.

*807. (b) In the absence of suitable local candidates five Garhwali Hindus have been appointed as postmen and packers since 1926 when the instructions referred to in the reply to part (a) of this question were issued, but this was not in contravention of the instructions as these were intended to apply to recruitment for the clerical services only as was made clear in an amendment to the said instructions issued shortly afterwards.

(b) The reply to the 1st and 2nd parts is in the negative. There is no official, Surjupershad by name, among the Garhwali Hindus. The third part does not arise.

LETTERS FOUND UNCLEARED FROM THE LETTER BOX OF THE PISHIN POST
OFFICE.

*808. (a) and (b). Owing to the breaking away of a piece of plaster in the chute of the letter box in question about 60 letters and postcards posted between 1929 and 1932 lodged in the crevice so formed and were not cleared. No one was held responsible for neglect of duty as the position of the crevice was such that it was not easy to detect. The articles were subsequently despatched to their destinations.

(c) Yes.

(d) The office was inspected by three officers, Messrs. Aurora, Abdul Humid and M.d. Akbar Khan, during the period in question, but no action was taken against any of them for the reason stated in the reply to part (a).

EXAMINATION FOR LOWER DIVISION POSTAL CLERKS HELD AT DELHI.

*812. (a) Yes.

(b) (i) 96 and not 105 candidates appeared.

(ii) The fact is not as stated. Some candidates expressed their inability to appear at the test and went away.

(iii) and (iv). Yes.

(v) Yes ; as seven passed in this subject the test was evidently not an unfair one.

(c) Yes.

(d) No.

(e) The reply to both parts of the question is in the negative.

RATES OF ALLOWANCES DRAWN BY POSTAL EMPLOYEES AT DARJEELING.

*865. (a) The Honourable Member presumably refers to the case of ministerial officials of the Bengal Government stationed at Darjeeling, if so, the position is not as stated by him.

(b) The fact is as stated by the Honourable Member as regards ministerial officials in the ordinary time-scale of pay ; while for officials in the Selection Grade the scales are the same for all the places mentioned. I may, however, add that postal officials stationed at Darjeeling draw compensatory allowances.

(c) The allowances drawn by the ministerial staff of the Local Government at Darjeeling are regulated on a percentage basis according to pay drawn while in the case of the post office ministerial staff in the ordinary time-scale the compensatory allowance has been fixed at a uniform rate of Rs. 15 per month. Consequently in the lower stages of the time-scales the allowances paid to the post office ministerial staff are higher; while in the higher stages the employees of the Local Government draw the larger allowances. But the ordinary time-scale of the post office ministerial staff at Darjeeling is superior to that of the ministerial staff of the Local Government employed there.

AMALGAMATION AND SEPARATION OF THE CADRES OF INSPECTORS OF RAILWAY MAIL SERVICE AND INSPECTORS OF POST OFFICES.

*910. (1) (a) Assuming that by 'general line-men' the Honourable Member means Railway Mail Service officials other than Inspectors, in the lowest selection grade of Rs. 160—10—250, the reply is in the affirmative.

(b) Yes.

(c) and (e). Government have no precise information but the facts are probably as stated by the Honourable Member.

(d) The general examination prescribed for promotion to selection grade posts on Rs. 160—10—250 including those of Inspectors was abolished in 1932 and replaced by an examination for promotion to posts of Inspectors and divisional Head Clerks only.

(f) Yes.

(2) Transfers of Inspectors, Railway Mail Service, on Rs. 160—250 to other posts in the Railway Mail Service on the same scale of pay do not involve any loss of pay or status. In these circumstances Government are not prepared to take the action suggested by the Honourable Member.

(3) As regards the first part of the question, the fact is that the 3 officials referred to by the Honourable Member were transferred to the Inspectors' line by the Postmaster-General, United Provinces Circle, through a misunderstanding of the Director-General's orders. Orders have since been issued for their re-transfer to the general line. The latter part of the question does not therefore arise.

SUICIDE COMMITTED BY A POSTAL OFFICIAL OF THE RAJSHAHI DIVISION.

124. (a) to (d). No.

(e) Does not arise.

FRAUDS COMMITTED IN THE QUETTA POST OFFICE.

*1024. (c) The case was not reported to the police as the facts did not warrant such a measure.

(e) The matter called for detailed enquiries of a confidential nature by an independent responsible officer and the Investigating Inspector attached to the circle office was therefore deputed to enquire into the case.

NON-RECRUITMENT OF MUSLIM CLERKS IN THE OFFICE OF THE DIVISIONAL ENGINEER, TELEGRAPHS, NEW DELHI.

*1041. (a) No.

(b) Does not arise.

(c) and (d). Yes.

(e) No.

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(f) Muslims—six including five appointed temporarily, of whom one was appointed in March, 1933, and three appointed during the years 1923 to 1925, were subsequently employed in the Telephone Revenue Accounting Office, Delhi. Non-Muslims—14, of whom one has been transferred to the Lahore Division and one is working in an officiating capacity.

(g) Yes. The Honourable Member is referred to the statement of new recruits published in the Director-General's Annual Reports for the year 1928-29 and subsequent years.

EXAMINATION FOR THE RECRUITMENT OF LOWER DIVISION CLERKS HELD AT THE BENARES CITY POST OFFICE.

*1201. (a) The reply to both the parts is in the affirmative.

(b) The reply to the first part is in the negative and the remainder of the question does not arise.

(c) and (d). According to the latest information in possession of Government, out of a total of 112 Upper Division clerks employed in the Benares City Post Office 94 are Hindus and 18 Muslims. As regards the number of vacancies, there has been a sixth vacancy in addition to the five mentioned by the Honourable Member. Of these six vacancies, one has been reserved to be absorbed on the abolition of a post and one has been filled by a non-Muslim clerk who originally belonged to the Benares City Post Office to which he has been retransferred from Cawnpore.

(e) No, the clerk in question had been transferred from Benares to Cawnpore as a punitive measure. As this had had the desired effect and the official's work had shown improvement, he was retransferred to Benares. In these circumstances Government see no reason to interfere with the transfer.

THE HINDU WIDOWS' RIGHT OF MAINTENANCE BILL.

Mr. President (The Honourable Sir Shanmukham Chetty) : The House will now resume further consideration of the following motion moved by Diwan Bahadur Harbilas Sarda on the 29th August, 1933 :

“ That the Bill to fix the amount of maintenance to which Hindu widows are entitled, be referred to a Select Committee consisting of the Honourable the Law Member, the Honourable Sir Harry Haig, Sir Hari Singh Gour, Sir Abdur Rahim, Mr. C. S. Ranga Iyer, Pandit Ram Krishna Jha, Mr. Muhammad Yamin Khan, Mr. N. M. Joshi, Mr. A. Das, Mr. S. C. Mitra, Mr. B. R. Puri, and the Mover, with instructions to report by the 25th January, 1934, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

The Honourable Sir Bepin Behary Ghose (Law Member) : Sir, I beg to move :

“ That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st December, 1933.”

There are many things in this small Bill which require to be straightened out. I must, first of all, say that the orthodox members of the Hindu Community utter grave complaints against, I would even say, curses on, the present Legislature which are both loud and deep. They say that the present Legislature consists mainly of non-Hindus and Hindus who call themselves Hindus, but who belong to a very much advanced community. From personal experience I know that many complaints have been made to me when I was not in office. They say that the Legislature is going through the nibbling process against Hindu law and in time they want to swallow the whole thing altogether. I do not belong to the orthodox section of the people. I cannot claim that, but I have not cut the cables and drifted apart from the moorings. But I must confess that I share the proverbial conservatism of a lawyer.

It has been said that the lawyers are, as a rule, conservative and, in addition to that, my years also make me fearful of any great change. All honour to those of my profession who have shaken off the conservatism of our class. I have only to say in connection with this Bill that there are many things which require careful consideration. There is the question of the definition of a widow and there is the question that this Bill attempts to make serious inroads into the Mitakshara family. This morning I happened to look into a publication by an accomplished and learned member of my profession. He is a member of this Assembly, but I do not see him here just now. He said that the income-tax has made a heavy inroad into the corporation of a Hindu joint family, but this Bill does something more, because, as every one knows, a Mitakshara family has been described as a corporation in which no member has any definite interest until a partition is effected. Even male persons living in the family are not entitled to any sum of money out of the income as their maintenance. This Bill proposes that, if a widow is sonless, she is entitled to get as maintenance the entire income which her husband's share in the joint family estate would, as on partition, yield. This amounts to a compulsory partition. The difficulty of this question is with regard to the income. The income of a joint Hindu family is often variable. If it is derived from landed property, then every landlord in this House will have to confess that the income is not a fixed amount and, therefore, it would be difficult to find out what the income of the Mitakshara joint family is which would accrue to the widow on partition. If the income is derived from industrial or commercial business, then, I submit, Members here will admit that there also no fixed amount can be said to be payable to the widow and, even if the whole income is derived only from Government securities, then my friend, the Honourable the Finance Member, may be responsible for reducing that income by paying off securities and reducing the interest on them. Therefore, this matter must be considered, even if the entire income of her husband, which he would get from the family estate as in the case of a partition in his life time, were given to the widow. Would the Court of Law be bound to determine the income year by year or month by month? And, if a fixed amount is decreed, that may be certainly more or less than the income derived in a particular year or month. Again, there are questions which seem to me to be very important which also require consideration. In the case of a separated Hindu, if sonless, the widow inherits the property, but there is one disqualification. She is required during her wifehood "to keep unsullied the bed of her lord", as it is said in the texts. Now, would the Hindu widow, who had sullied the bed of her lord during the life time of her husband, be entitled to maintenance after the death of the husband? That also is a question which must be determined. What would happen if the widow re-marries? Among the Hindus, as defined in clause 2, there may be many communities where widow marriage is allowed by custom. Those do not come within the purview of the Hindu Widow Re-marriage Act, and would they retain the maintenance that would be allowed by the Court? These are questions which have to be dealt with.

Then, with regard to the provisions in clause 4, where it is said that if there is a posthumous son born to the widow, who was sonless at the time when her husband died, she should get an equal share of the income of her husband's estate which a son would get as on partition. I could

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understand if it had been said that she would get a half share of the estate, but there also is the difficult question about ascertainment of "income". I need not say anything more with regard to that clause.

Now, with regard to the Dayabhaga School of Hindu law. It does not make any inroad on the joint family, because a sonless Hindu widow is entitled to inherit her husband's property. There is the question of adoption, as there is also provision for a sort of enforced partition between her and her sons. As is well known, it has been held by the Privy Council that a widow making an adoption may enter into a contract with regard to her maintenance and that has been held to be valid. Therefore, it may be possible to urge that this provision is absolutely unnecessary. These and there are other important questions, which require consideration. I submit, therefore, that the House will accept my amendment that this measure should be circulated for opinion. I do not think I need add anything more.

Mr. President (The Honourable Sir Shanmukham Chetty) : Amendment moved :

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st December, 1933."

Pandit Ram Krishna Jha (Darbhanga *cum* Saran : Non-Muhammadan) : Sir, I beg to support the motion for circulation. This is really a difficult matter and it is just, right and proper that the country should be consulted on a Bill like this. There seems to be not much difference of opinion on this side of the House on the circulation motion. I, therefore, support this motion, and my humble suggestion is that the question be now put, because there are good many Bills on the Agenda.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam : Non-Muhammadan Rural) : Sir, I am very sorry that the Honourable Member who is the author of this Bill is not in his seat when we are discussing this measure. The Honourable the Law Member has been pleased to move a motion that the Bill be circulated for eliciting opinion thereon. Honourable Members are well aware that Diwan Bahadur Sarda has been engaged with this reform since 1921 and, ever since that time, he has tried his best to draft a measure which would give some right to a widow in the property of her husband. During the last four years, he has been drafting measure after measure, and this is the latest. As my Honourable friend, Diwan Bahadur Sarda, is not a lawyer, he had to seek the assistance of some of his legal friends. Every time he tried to bring in a Bill for a reform in one direction of the Hindu law, it was found to be giving way in the other direction. The House, in spite of the modifications that Diwan Bahadur Sarda was able to make in the Bill, threw it out. So, I think it will be an act of kindness on the part of the Honourable the Law Member to call Diwan Bahadur Sarda and draft a proper Bill for him in order to give effect to the central idea which had been guiding him all along to draft this measure. There are one or two important matters and I think I must make an observation or two on each one of them for the simple reason that if this Bill were to go to the public—and Mr. Jha has just said that there is no difference of opinion on this side of the House about this motion—they must know as to what we think about it and in what way we want the public to direct its attention on this measure. I am glad, my Honourable friend, Diwan

Bahadur Sarda, has now come. On an earlier occasion, when he moved his first Bill on the floor of this House, he said that he had the assistance of no less a personality than that of the Law Member of the Government of India, who was the predecessor of the Honourable gentleman opposite. Sir, I do think that it is very difficult to believe that the Law Member of the Government of India could have been responsible for a measure of this description, because, if I remember aright, on the last occasion he made a vehement attack on Diwan Bahadur Sarda with regard to at least one power taken away under this Bill, namely, the testamentary power of a Hindu. When Diwan Bahadur Sarda drafted his Bill on the last occasion, Government said that it would take away the testamentary powers of the Hindus and it was one of the grounds on which the Honourable the Law Member opposed it. So, I was very much surprised to find in this Bill a provision which, if rightly understood, would curtail the powers of a Hindu on his powers of disposal of his property whether ancestral or self-acquired, whether he is under the Dayabhaga or Mitakshara. Sir, the man has always the right to dispose of the property which he has acquired, at any rate under any system of Law.

Now, clause 6 runs thus :

“ The maintenance, to which a widow is entitled under this Act, shall be a charge on the estate left by her husband, or the estate which belonged at the time of his death to the undivided family of which he was a member when he died, and shall not be affected by any testament which a husband may make during his lifetime to the detriment of the widow's rights as secured to her by this Act.”

What does that mean ? It means this. Under the provisions of this Bill, Diwan Bahadur Sarda would like to give, in case the husband dies leaving no sons, the entire estate to his widow, but, if there are any sons, then she should get an equal share of the property along with her sons whether it was under Dayabhaga or Mitakshara. Take, for instance, the question of a husband leaving a widow without any sons. Under the provisions of this Bill, that widow would be entitled to the entire estate of the husband. Now, if you read the last clause, you will find that it says that the rights secured to this woman should not be disposed of by the husband in any manner during his life time. That is to say the man is allowed to earn, but not to spend it since it would affect the right created for the woman in the entire property. He does not make any distinction between the self-acquired property and the ancestral property. Therefore, the effect of it is that during the life time of the husband, he cannot deal with the property in a manner which may be construed to affect the rights given to the widow under this Bill. In other words, what Diwan Bahadur Sarda wants is to create for the husband a widow's estate. If rightly understood, it is not even a widow's estate. It is merely a life estate, because a widow's estate, as the House is aware, is something more than a life estate. She has always got the power to alienate property under certain limitations. She can make small gifts of property and even sell the entire property if the income is too small to maintain her in comfort, and so forth. I, therefore, consider this measure as a retrograde measure so far as that aspect of the Bill is concerned. Again, my Honourable friend, Diwan Bahadur Sarda, was pleased to state that, in accordance with the wishes of this House, he modified his Bill, inasmuch as he does not propose to give any share to the widow under this Bill. Has he done that now ? I submit, no. He gives under certain conditions the entire estate to the widow and, under certain other conditions, he gives the income of

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that estate in equal shares with sons if there are any sons. Is this a satisfactory solution or modification of the measure in consonance with the approved and expressed views on this House on the last occasion?

I would further like to point out that there is one difficulty which must present itself to all of us and, as regards that difficulty, I might quote the words of the Advocate General of Madras. On the last occasion, the Advocate General of Madras was pleased to state :

“ The lawyer looking on the Hindu law as a system from the scientific point of view may well feel apprehensive that the Bill may produce anomalous results and have the effect of converting the Hindu law into a mongrel system without any basic principles to guide us. Piecemeal legislation on any particular topic in the field of Hindu law which appeals to a particular legislator is sure to bring about inextinguishable confusion.”

Mr. B. V. Jadhav (Bombay Central Division : Non-Muhammadan Rural) : Who is to introduce a code of law?

Mr. B. Sitaramaraju : My Honourable friend is labouring under the same delusion which my Honourable friend, Diwan Bahadur Sarda, was labouring under on the last occasion. Diwan Bahadur Sarda, on that occasion, was saying, if you do not want to make piecemeal inroads into the Hindu law, do you want me to cast the whole Hindu law into the sea and introduce a different system altogether? That is not what was said even by the Advocate General of Madras and other learned advocates on the last occasion who went into this question. They said that the Hindu law was such a complicated system that to attempt to go into it.....

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara : General) : What law is not a complicated system? Is the Hindu law alone a complicated system?

Mr. B. Sitaramaraju : It is much more complicated than others.

Diwan Bahadur Harbilas Sarda : The Hindu law is less complicated than the English law or the Roman law. If my Honourable friend had studied Hindu law, he would find that it is less complicated.

Mr. B. Sitaramaraju : I am sorry my Honourable friend has not yet learned to understand a law about which he tries to speak with assurance. But let me proceed. On the last occasion, what the learned Vakils and other Advocates, who gave expression to their opinion on this matter, said was, the law being such a complicated system, so far as the Hindus were concerned, it was far better you took one group of that portion of the law, for instance, the law relating to women under the Hindu law. You can make there such changes and see that, in making those changes, you do not do injustice to other interests concerned. That was what those learned Advocates said. They do not state, a new code of laws should be substituted for the Hindu Law as my Honourable friend, Mr. Jadhav, would like the House to understand, but even that is not impossible if he were to remember that even at the present moment in Travancore there was a committee appointed to go into the whole question of the Hindu law and to make changes to suit the present day needs and to see whether such modifications could not be made in the whole system so as to bring out a new code of laws. That was done by the Travancore State.

Diwan Bahadur Harbilas Sarda : My present Bill makes no modification of the Hindu law at all. It does not touch any principle of the Hindu law. The question of maintenance is a part of the Hindu law and it is well known that my Bill only provides how this maintenance is to be calculated. No principle of Hindu law is at all affected by this Bill and, therefore, all these remarks are irrelevant.

Mr. B. Sitaramaraju : I do not mind being drawn into a discussion with the Honourable the Law Member, but I do not want to enter into a discussion with my Honourable friend, Diwan Bahadur Sarda, whose views of Hindu law seem to be different from those of ours. I would, however, like to give a fair understanding of the problem which has been troubling my Honourable friend, Diwan Bahadur Sarda. What he wants is to give a fixed amount of maintenance to the Hindu widow. So far so good. It is not difficult to appreciate that. But, according to him, the amount of maintenance which he would like to give is the income of the entire estate of the husband when joint, if he dies without sons and an equal share if he has sons. He says that so far as the right of maintenance is concerned, it depends mostly upon the pleasure of the relatives of the husband. This is wholly incorrect. The maintenance of a Hindu widow does not at all depend upon the sweet will and pleasure of her husband's relatives. It depends upon what the Courts think to be a proper maintenance to be given to a Hindu widow, because the ultimate authority in all these matters is the Court and the principle which guides a Court in giving maintenance to a widow is this. The amount of the widow's maintenance is to be settled having regard to the value of the estate, to the position and the status of the deceased husband and of the widow as well as to the mode of life of the family during the husband's life time and also having regard to what amount would be sufficient to allow the widow to live consistently with a widow's position in the same degree of comfort and with the same reasonable luxury of life as in the husband's life time ; and her proper maintenance should include " not only the ordinary expenses of living, but also that which she might reasonably expend for religious and other duties incident to the station in life which she might occupy ".

These are the principles upon which the Courts decree a proper maintenance of a widow. On an earlier occasion, my Honourable friend, Diwan Bahadur Sarda, said that it was true that Hindu widows, most of them being illiterate, did not know their rights. But, may I ask, whether an extension of her rights would make her know more of her rights than she knows now ? That is not the remedy. I have no objection if a certain portion of the income is to be definitely settled, if that can be considered a desirable change in law ; but, before you ask a definite portion of the income of the estate to be given to a widow, you have to consider what is the existing position of the law. It is very elastic. It gives power to a Court of law, in its unfettered discretion, to judge from all the attending circumstances as to what would be a proper amount of maintenance to the widow, whereas a hard and fast rule would not be of the same value as an elastic rule which the law now has. That is one point for consideration.

Another point which I should like to mention is that there are a number of other interests besides that of a widow which require to be considered. There are the interests of other persons entitled to maintenance. There are the marriage expenses and similar other charges. If the

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widow gets the whole income according to this Bill, how are those other interests to be safeguarded? Would the maintenance of unmarried daughters, and other persons, male and female, liable to be maintained, be a charge on the widow's income? It will not be. Therefore, that point also has to be considered. As regards the idea of my Honourable friend to have a sort of uniform law for the whole of India with regard to the rights of women, that is a much bigger job than he really thinks. Because, here in this country, there are many systems of law; there is the *Dayabhaga*, *Mitakshara*, *Mayukha*, and there is also the *Marumakkathayam* system of the south. Then, there are also the customary laws governing other people. At one time, it was the ambition of my Honourable friend to have one law with regard to this subject throughout the whole of India, but it was found, when the opinions were collected on the last occasion, that there were systems of law like the *Marumakkathayam* law of the south, where the rights are more than he can hope to give under this Bill. So he has confined the Bill now to only *Dayabhaga* and *Mitakshara*. These two are entirely different systems. I have no objection if any one system, taken by itself, requires any modification if such modification is made in the light of modern conditions. I would welcome it; but to group entirely different systems of law and try to pick out one which is good here and another which is good there and try to make out a law appears to us not proper and this may lead to results which my Honourable friend would never agree to have.

Sir, I would like, with a few words more, to conclude now. The whole difficulty of those governed by *Mitakshara* is this. I will give one example to show how we, who are governed by the *Mitakshara* law, find it difficult to accept these provisions. The difficulty is this. Supposing a father is dead. There is a mother. The son leaves the mother and his widow behind with two sons and daughters. According to the proportion in which the income is to be divided under these provisions, assuming the income is Rs. 1,000 a year, Rs. 500 would go to the mother, Rs. 250 would go to the son's widow and the two grandsons will have only Rs. 250. That is, out of this estate of Rs. 1,000, Rs. 750 will go to the two women and Rs. 250 will be all that will remain to the two sons and, with that income of 125 each, they will be under obligation to maintain the other members of the family, such as unmarried sisters, etc., who have a right for maintenance. I do not think it is at all fair.

Diwan Bahadur Harbilas Sarda : It will not be the duty of the sons to maintain the mother and the grandmother after they have had their share.

Mr. B. Sitaramaraju : I was saying that the mother will get Rs. 500, the son's widow will get Rs. 250, and the grandsons will only get Rs. 250 and the grandsons will have to maintain the others entitled to maintenance.

Diwan Bahadur Harbilas Sarda : If I have heard Mr. Raju aright, I say that the grandsons will not have to maintain either the mother or the grandmother, because they have got their shares.

Mr. B. Sitaramaraju : I never said that they still will have to be maintained after taking the son's share of the income. The whole trouble with Diwan Bahadur Sarda is that he does not understand the others' point of view. What I was saying was that there were other people like

unmarried sisters and also even male members who were required to be maintained out of the income of the estate, and they would have to be maintained by the grandsons who had so small a share. Is it fair? So far as I can understand public opinion in my part of the country, I think people, who are governed by the Mitakshara, would strongly object to changes of this description in their law.

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadan Rural) : Sir, let me assure the House that I am not going to bore the House with observations on principles of Hindu law and their institutions and customs. If I rise at all, it is only to point out that clause 5 of the Bill is quite unnecessary. We belong to the *Dayabhaga* School and I am not concerned with what happens to my friends, Mr. Gaya Prasad Singh and Pandit Ram Krishna Jha. Sir, I think every student of law knows that, under the *Dayabhaga*, a son is bound to maintain the mother if he inherits his father's property, and, if there is a partition between the sons, the mother gets a share. I do not know what was the necessity of incorporating this *Dayabhaga* law, about which it seems my Honourable friend has no knowledge, having administered the law in a province where *Dayabhaga* does not prevail. So I submit that he has not taken the same care as we would expect from a man of his erudition in framing this Bill. Be that as it may, as the Law Member has asked for circulation, and it seems that every one of us is agreed on that point, let us have circulation without further boring the House with our own views about the law on this and that subject.

Rai Bahadur Lala Brij Kishore (Lucknow Division : Non-Muhammadan Rural) : Sir, this Bill has been introduced to fix the amount of maintenance to which Hindu widows are entitled and to make that maintenance a charge on their husbands' family property, and this shall not be effected by any testament which a husband may make during his life time to the detriment of the widow's rights as secured to her by this Act. In this Bill, the Mover only wants to lay down certain broad principles which, without attempting to alter the Hindu Law of Inheritance, may to some extent mitigate the sufferings to which the Hindu widows are subjected owing to the absence of provisions in the Law of Inheritance.

Sir, nobody can deny that the plight of Hindu widows requires amelioration and sympathy should be shown to them. So it is a necessary piece of legislation as it affords great relief to Hindu widows whose rights, under the existing system of Hindu Law, are meagre and require to be enlarged in view of the rapidly changing conditions of the Hindu society in modern times. But I would, however, like that suitable provisions should be made in the Bill to make it clear that a Hindu widow, whose maintenance would be fixed, would enjoy that maintenance as a charge on her husband's property as long as she does not re-marry. I think the little comfort that a Hindu widow requires should be ensured by law by fixing her maintenance as long as she does not re-marry. This Bill, if passed after some improvement in addition to doing good to the widows, will help in strengthening the joint family systems; for, the widows, even if not starved, are oppressed and ill-treated and will remain in their families and keep the family together and keep up the old traditions of Hindu society. Thousands of widows are driven away from their

[Rai Bahadur Lala Brij Kishore.]

homes and the way they are forced to live is a standing disgrace to Hindu society. If their maintenance be fixed, they will add to the unity and the happiness of the whole family for, as Manu truly says, "where women are respected, the families prosper and happiness reigns". A happy and contented widow will bring a sunshine to a family otherwise darkened by shadows of family differences. This Bill does not give any right to the Hindu widow to become the sole owner of her deceased husband's personal property, it is only for fixing her maintenance, and no son, grandson, great grandson or anybody, to whom the Mitakshara or Dayabhaga gives any rights, can be disinherited by this. As to what should happen to the share in case she re-marries, may be clearly set out by a clause in the Bill and such other defect as may be found in the Bill in its present form can be set right whenever this Bill will go to the Select Committee. Sir, the views mentioned above are my personal views, but I would like to obtain public opinion before this Bill is passed into law, as there should be no change in our laws framed by the venerable Rishis of old without obtaining the opinions of Hindu Jurists and of the Hindu community which would be affected by it. So, the Bill should be circulated for eliciting public opinion thereon.

Mr. S. C. Sen (Bengal National Chamber of Commerce : Indian Commerce) : Sir, it is not necessary for me to enter into the details of the Bill. There has been sufficient criticism from the learned Law Member and also from Mr. Raju. If any criticism is necessary, the last clause in the Bill is not only obnoxious, but is absolutely dangerous. The last clause in the Bill is to prevent testamentary disposition by the deceased owner of his property so as to prejudice the rights of the widow. Now, if a sonless man dies, the widow, according to the Bill, will be entitled to the whole income. Supposing the income is more than a lakh of rupees, the widow will get it, but the testator will not be able to make any testamentary disposition for charitable purposes or for other purposes : he will have to leave the whole of the property to the widow. That is a thing which is preposterous on the face of it. It is, therefore, necessary that the Bill should be circulated, and I support the motion moved by the Honourable the Law Member : but my grievance is that the time to report is too short. It has been fixed at 31st December, 1933. The matter is a very complicated one and will raise more complicated issues than we think of. To take one instance, what would be the condition of a widow who goes wrong the day after the husband dies ? Will she be entitled to continue to enjoy the whole of the income during her immoral life ? Of course I know that the British Indian Hindu law on the subject favours the immoral widow to continue to enjoy the whole of the property : but that was not the intention of the Shastrakars or of the original Hindu law ; but that has been made case law by the Indian Courts, by Judges who did not understand the Hindu law, but who took only the opinion of Pandits. This also ought to be considered by a progressive man like Diwan Bahadur Harbilas Sarda. Under these circumstances, I support the motion, but I would like that the time may be enlarged a bit to enable all shades of public opinion including Hindus and learned men to give their considered views on this subject. Five months is not enough to change a law which has been in existence for centuries and centuries.

Some Honourable Members : The question may now be put.

Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) : Sir I fully recognise that this is not the stage when we should make long speeches—at least we should not go into the contested points which are involved in this question which, I may say, might throw Diwan Bahadur Sarda into rage. My point at present is that it cannot possibly be said that this small Bill is without difficulties ; and I am in full agreement with the Honourable the Law Member that there are several questions to be considered. My Honourable friend, Diwan Bahadur Sarda, should not be under any misconception that I will not help in his progressive measures ; but I must say that the principles and practices, which Hindus from time immemorial have stuck to, cannot be lightly treated now. So, without going into the merits of the case, I will make a few observations as regards the difficulties to be solved and upon which public opinion is absolutely necessary. First, as we all know, the normal condition of Hindus is that of a joint Hindu family. If my word is not accepted, I can quote authorities. Now, this Bill is likely to cause disruption in the joint Hindu family system. We are accustomed to the joint Hindu family which is so very felicitous to our conditions and very helpful too. But now Western influences have come in to teach us individuality ; the wife is allured by individuality to be by herself ; the husband does the same thing ; the son does not like to be joint with the father, and so on. Therefore, my fear is that this may not disrupt our society. There is a motto in western countries “ Every one for himself and God for all ” which we should beware of. Therefore, this is a point upon which the public must be given a voice. I personally, however, had to belong to a joint Hindu family, not only of sons, but of brothers, and so I know what advantages there are in it. I shall not now go any more into the disadvantages which prevail owing to the present Western waves. Next is the question of survivorship with the joint Hindu family. Of course, Bengali gentlemen do not care for that and they will not consider whether survivorship lives or not. But survivorship has lived and done great good. This also must be considered. The third very important question is this : the Bill says :

“ Whereas it is expedient to fix the amount of maintenance to which Hindu widows are entitled and to make that maintenance a charge on their husbands' family property.”

Now as to the latter portion about making it a charge on the family property—it is not even necessary to legislate : the existing Hindu law has already provided for it ; the property which is inherited is *always* subject to maintenance being a first charge upon it. Therefore, what we are concerned with is the first portion. It may be said that everybody has got sympathy with the widow and the law allows maintenance to be given to the widow which will be a charge on the property. But the point that progressive members of the society want is to fix it. But how very difficult it is. I may give just one instance to show that it might be detrimental to the interests of the widows themselves if this maintenance is fixed. I illustrate it by a living instance. A man left property worth Rs 1,000. If half the property had been given to the widow, she would have got Rs. 500. In the instance I am giving, the widow lived for about fifty years after she became a widow. If she had got only Rs. 500, what would have happened to her ? Could she possibly have lived on that amount for fifty years ? The joint family members were solicitous to her and were also conscious of the fact that they should not

[Mr. Lalchand Navalrai.]

give her a lump sum, but that they should give her some allowance and they fixed it at Rs. 10 a month, and, for fifty years, she got this allowance, amounting in all to Rs. 6,000. Therefore, I say, if you are going to fix the amount, you might be doing great harm to the widows. I agree that on this and the other questions public opinion should be obtained by circulation and a very wide one, so that all kinds of people may give their views, and, after that, we might consider whether the Bill should or should not be passed. I, therefore, support the amendment.

Diwan Bahadur Harbilas Sarda : Sir, I am very sorry I have not had the advantage of listening to the speech of the Honourable the Law Member when he proposed the amendment to my motion in regard to circulation. As I had not been quite well, I was not able to come earlier. I am, therefore, not in a position to say anything as to what has fallen from him. I came in when my friend, Mr. Raju, was speaking, and

1 P.M.

I should like to say a word or two with regard to certain observations that he made on this Bill. He said that this Bill would do away with the testamentary rights of the husband and that if the husband wishes to make a testament with regard to his property if this Bill is passed, he would not be able to do so. Now, if a husband wants to make a testament depriving his widow of any interest in the property to which she becomes possessed after his death, then certainly the husband should be prevented from making a testament to the disadvantage of his widow. If the husband does not make any testament which is disadvantageous to the widow.....

Mr. B. Sitaramaraju : What about self-acquired property ?

Diwan Bahadur Harbilas Sarda : Whether self-acquired or not, under the ancient Hindu law, as soon as a woman is married to the man, she becomes the co-owner of the property. There are any number of texts to show this, but all that is gone now ; still I bow to the principles on which the present Hindu law is based. I ask, Sir, does a woman, when she is married, cease to have any rights in this world ? Does she become rightless ? Does she become a stone or a piece of wood ? Has she not a soul ? Has she not got a life to live in this world ? Why should you deprive that woman of all her legitimate rights ? Why should you ignore her, when you are so solicitous of the rights of all the reversioners or survivors and other people in the world ? My friend, Mr. Raju, is so solicitous of the rights of the survivors or the reversioners, but what about the widow who passed all her life with her husband, and who bore him so many children ? Is she not to have any rights ? You do not want to look to her interests and rights, while you are anxious to protect the rights of the survivors and reversioners. This is the mentality, the slave mentality of my countrymen today. So long, I say it with all the emphasis at my command, so long as our people do not do justice to their womenfolk, they will live in perpetual political subordination. So long as you are not just to your own mothers, to your own sisters, so long as you are not just to the women, you will not get justice yourselves. You do not care for the poor woman, you only care for yourself, and if you continue to keep up that mentality, I am sure you are doomed.

My friend, Mr. Raju, quoted the Advocate General of Madras, but I say with due respect, Sir, that all that the Advocate General said is now irrelevant, because what he said pertained to my last Bill which gave the widow a share in the property of her husband, and that, of course, did interfere with the law of inheritance which obtains among the Hindus. But this Bill does not give a share to the widow, this Bill does not give her any absolute right in any property. It only regulates the amount of maintenance to be given which is recognised by all schools of Hindu thought. What that maintenance shall be, I have tried to fix. If it does not meet with the acceptance of this House, the Select Committee can alter it. I don't mean to say that what I have fixed is irrevocable like laws of the Medes and the ancient Persians. My object is that the Hindu widows in India should be put in a better position. That is all. If any changes have to be made in the Bill, the Select Committee is the proper forum where this can be done. Circulation will not help. Circulation does not mean that every man to whom the Bill is circulated will give his opinion in detail; but even if everybody gives his own suggestions, they will all have to be considered in the Select Committee.

My friend also read out some portion from some judgment, I believe, which said that the amount of maintenance which should be given to a widow must be regulated by certain considerations. I quite agree, but those principles have no statutory force; they are not law. They are merely principles which may or may not be acted upon and which, in 99 cases out of 100, are not acted upon at the present time. I know of cases,—I have been a Judge myself,—I know of cases which came before Courts, in which Hindu widows were given sometimes Rs. 4 and Rs. 5 a month while, when their husbands were alive, they had servants and a good house. (At this stage several Honourable Members were laughing.) My dear friends, it is no use laughing, but if you go into these matters carefully and investigate the thing, you will find that the condition of widows in many cases is most deplorable. And why? Because they have no legal rights. If they had legal rights, the case would not have been so bad, but because of lack of legal rights their condition is hopeless in many cases. I quite agree that in many cases in respectable families the condition of the widows is not at all bad. Their word is law. I know of widows who exercise paramount authority in household affairs. I don't mean to say that every widow in India is in a deplorable condition—not at all, but there are many who are in a very deplorable condition, and, to ameliorate their lot, I have brought forward this measure.

My friend spoke about a case in which a man left property the income of which was Rs. 1,000; according to the Bill, my friend says, she will get Rs. 500, the son's wife will get Rs. 250, and the grandson will get Rs. 250. and he will have to maintain the family. As I heard him, I thought that he meant that the charge of maintaining the grandmother and the mother would be on him, but he explained later that he did not mean that. What he meant to say was that the grandson had to maintain the sisters and other members of the family. I do not quite see the point of his argument. He will have to maintain them. He is the male member of the family, he is the earning member of the family. He has got to live in this world with his family and he has,

[Diwan Bahadur Harbilas Sarda.]

got to maintain them. Supposing his father or grandfather did not leave a single pie, would he not still have to maintain them? So, that question is beside the point. He has a legal liability to maintain them. He is under a legal liability to arrange and to provide marriage expenses for his sisters. But the point is these cases are very few. You will find that the provisions of this Bill in no way go against the other provisions of the Hindu Law. If they do, I have no objection to modifying the thing. I do not want that this should be absolute. This is only a sort of standard that I have put down for general guidance. If the Select Committee thinks that certain modifications should be made in order to be just to everybody, I have no objection to those modifications being made. When I asked that this may be referred to a Select Committee, it meant that if there was anything which could profitably be amended in the provisions of this Bill, the Select Committee would take that action.

Some friend of mine said that the law prevalent in South India is more liberal to women than the Mitakshara or the Dayabhaga law. Let it be so. If it is so, I have no quarrel with it. If the widow's condition, if the legal status of a widow under that law is better, well and good, I have nothing to say. This Bill won't apply to them. Where the legal position of a widow is bad, is deplorable, it is there only that this law will apply.

The question of amending the Hindu Law, I admit, is not a very easy one, but this Bill does not amend the Hindu Law at all. It is perfectly correct that when you amend any part of a system of law, you have got to keep in mind the bearing that that amendment will have on other parts of that law. I quite agree, but, as I have said over and over again, this Bill does not amend any principle of the Hindu Law, and consequently all arguments based upon that point of view are not relevant.

It has been said, and it will be reiterated in future always whenever any measure of social reform is proposed, that it is not right to amend the Hindu Law piecemeal. This is an argument which has absolutely no force.....

Mr. President (The Honourable Sir Shanmukham Chetty) : The House stands adjourned till Half Past Two.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Diwan Bahadur Harbilas Sarda : Sir, a few minutes ago, an Honourable Member of this House asked me why should a husband be prevented from exercising his testamentary rights and leaving his widow unprovided for. if she does not obey him. Now, I want to ask him what happens if the husband acts improperly. Another question was, what, if she goes wrong? I asked what, if the son goes wrong, if the male members of the family go wrong and waste the whole of the landed property, leaving the

women unprovided for and starving? Has any gentleman, who is solicitous of the rights of the male members, brought forward any Bill to restrict the rights of a male member, if he is on the high road to ruin. Unfortunately the fact is that the very conception of a woman, her status and her rights, held by some of my friends, is defective, prejudiced and unjust. Many of these gentlemen regard women as chattel, as born only to minister to the needs of men, to pass their lives as slaves, as household necessities, but without any independent existence, without any legal rights of their own. The husband commits no wrong. Just as in England the King commits no wrong, in Hindu society, the husband commits no wrong. A woman always does wrong if she does not obey her husband in every detail. Unfortunately this is not Hinduism. This is not Hindu Law, so far as the texts go. My friends are unwilling to give women their rights, elementary rights, in fact the very first step towards doing them justice that this Bill wants to do, and themselves want more and more liberty, more rights and more justice for themselves from Government. May I respectfully beg them to prove themselves worthy of the rights they themselves ask for, of the justice they demand by giving their own mothers, sisters and daughters their rights and treat them with a little more justice.

Mr. President (The Honourable Sir Shammukham Chetty) : The question is :

“ That the Bill to fix the amount of maintenance to which Hindu widows are entitled be circulated for the purpose of eliciting opinion thereon by the 1st December, 1933.”

The motion was adopted.

THE INDIAN “ KHADDAR ” (NAME PROTECTION) BILL.

Mr. Gaya Prasad Singh (Muzzafarpur *cum* Champaran : Non-Muhammadian) : Sir, I beg to move :

“ That the Bill to provide for the protection of the names ‘ Khaddar ’ and ‘ Khadi ’ used as trade descriptions of cloth spun and woven by hand in India, be referred to a Select Committee consisting of the Honourable the Law Member, the Honourable Sir Joseph Blore, the Honourable Sir Frank Noyce, Mr. Abdul Matin Chaudhury, Sir Lancelot Graham, Mr. S. C. Mitra, Sardar Sant Singh, Mr. B. R. Puri, Mr. S. C. Sen, Mr. Vidya Sagar Pandya, Mr. Uppi Saheb Bahadur, Mr. J. Ramsay Scott, Raja Bahadur G. Krishnamachariar, Khan Bahadur Haji Wajihuddin and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

Sir, when this Bill was last before the House, on which day the motion for circulation was carried, I explained very briefly the object of my Bill. The object is to protect the names “ Khaddar ” and “ Khadi ” under the Merchandise Marks Act, and to prevent spurious cloth, which is produced in mills either in India or in foreign countries, from being palmed off on the unsuspecting public under the names of “ Khaddar ” and “ Khadi ”. I quoted on that occasion the appropriate section of the Indian Merchandise Marks Act which gives the definition of trade description. Section 2 of the Merchandise Marks Act gives the definition of trade description, and, under section 6 of that Act, anybody who applies a false trade description to goods is punishable with fine or imprisonment.

Sir, I am glad to acknowledge with gratitude that on that occasion, in making the motion for circulation on this Bill, my Honourable friend, the Commerce Member, gave an assurance to this House that in making that

[Mr. Gaya Prasad Singh.]

motion the Government did not necessarily intend to oppose the Bill. Since opinions have been collected on this Bill, you will find that there is a consensus of opinion among the public bodies and individuals in favour of my Bill. I will have to quote the opinion of some of the individuals and public bodies who are in favour of my Bill. Sir P. C. Roy from Calcutta says in his letter to me, dated 9th March last :

“ Allow me to express my sincere thanks for giving notice of a Khaddar Act to prevent the manufacture and sale of spurious Khaddar. During the last twelve years, I have worn myself out both for the manufacture and propaganda of Khaddar. Along with Sreejuts Rajagopalachariar, Rajendra Prasad and other workers, we have tried our best to create a taste and a demand for Khaddar. Unfortunately, dishonest manufacturers of spurious Khaddar have been trading upon the patriotism of the ignorant people with the result that there is a set back in the sale of genuine Khaddar to our serious loss and detriment. I trust you will persist in your noble efforts and I hope they will be crowned with success.”

The Federation of the Indian Chambers of Commerce and Industry have also supported my Bill, and also the Bihar and Orissa Chamber of Commerce. Then, the Muslim Chambers of Commerce of Bihar and Orissa have also supported my Bill. In this connection, I should like to know from the Government as to the way in which such Bills are circulated for the purpose of eliciting opinion thereon, because, from the printed papers that are before Honourable Members, they will find that the names of the Bihar and Orissa Chamber of Commerce and some other bodies are not mentioned there. I do not know whether the Local Governments concerned consulted those bodies or not, but the fact remains that their opinions do not find a place among the printed papers that are before Honourable Members. Coming now to Bengal, I find that the Anglo-Indian and Domiciled European Association of All India and Burma, Calcutta, the Bengal Chamber of Commerce, Indian Chambers of Commerce, the Bengal National Chamber of Commerce, all of them support the principle of my Bill. The Bengal Chamber of Commerce says :

“ The Committee of the Chamber have examined the provisions of the Bill in consultation with the Piecegoods Sub-committee of the Chamber and I have to inform you that they see no particular objection to the Bill. In the opinion of the Chamber Committee it would be to the advantage of the trade if the use of terms Khaddar and Khadi were confined strictly to the genuine article, namely, handmade cloth from hand-spun yarn.”

The Indian Chamber of Commerce strongly recommends to the Government that the Bill should be passed for the protection of hand spinning and hand weaving. The Bengal National Chamber of Commerce also say that they do not think that there will be any difficulty in enforcing the provisions of the Bill, and that the trade custom confines the use of the term “ Khaddar ” to cotton piece goods woven by hand from handspun yarn. Then, Sir, the Madras Government have supported the principle of my Bill, and I beg to express my thankfulness to that enlightened Government whose representative we welcome in this House. The Madras Government say :

“ The term ‘ Khaddar ’ or ‘ Khadi ’ does signify in common usage cloth woven on hand looms from hand spun yarn.”

Diwan Bahadur Narasimharaju Garu, the ex-President of the Madras Legislative Council also supports my Bill, and says :

“ The words ‘ Khaddar ’ and ‘ Khadi ’ have acquired a specific meaning and the market and trade custom does confine the use of these terms to cotton goods woven by hand from yarn spun by hand. I may mention that there will not be any administrative inconvenience when the Bill becomes law.”

The Tuticorin Chamber of Commerce, the Malabar Chamber of Commerce, Calicut, the Calicut Chamber of Commerce, the Indian Chamber of Commerce, the Godavari Chamber of Commerce, Coconada, the Coconada Chamber of Commerce, the Southern India Chamber of Commerce, Madras, the Madras Press Association, the Buckingham and Karnatic Mills, Ltd., Madras, which I understand is a European firm and they have the fairness to support my Bill, the Madura Ramnath Chamber of Commerce, the Cochin Chamber of Commerce, all support the principles of my Bill. Diwan Bahadur C. R. Mudaliar, M.L.C., Coimbatore, says in his letter :

"In these parts trade custom does confine the use of the terms 'Khaddar' and 'Khadi' to cotton textiles woven from hand from yarn spun by hand"; and that : "I do not foresee any administrative difficulty in giving effect to the Act."

The European Chamber of Commerce of Bengal also support my Bill, so also the Edward Mills Company, Ltd., Beawar.

Then, Sir, ~~there are some gentlemen in the~~ N. W. F. P., for instance, the Vice-President of the Peshawar Piecegoods Association, who also support my Bill. In fact, nobody opposes it. The Mercantile Chambers of Commerce, United Provinces, Cawnpore, say that it would afford protection to the millions now engaged in the manufacture of "Khaddar" and the chances of the deception now prevalent will be greatly alleviated. The Hindustani Mercantile Association of Delhi, the Industrial Surveyor of Delhi, support my Bill. The Director of Industries, Bihar and Orissa, says :

"It seems clear that the Bill has the support of Indian public opinion."

Most of the gentlemen in Assam to whom this Bill was sent for opinion have also supported it. The Government of Bombay says as follows :

"The majority of the commercial Associations who were consulted support the Bill, while the Bombay Chamber of Commerce and the Bombay Millowners Association are not in favour of it."

With regard to the Bombay Chamber of Commerce, I find from their letter that they are not so much opposed to the Bill on principle, but they foresee some difficulty in administering its provisions.

The Federation of Indian Chambers of Commerce and Industry, the Indian Merchants' Chamber, the Maharashtra Chamber of Commerce and the Marwari Chamber of Commerce, the Bombay Piecegoods Association, the Bombay Cotton Merchants and Mukhadams, the Ahmedabad Millowners Association, the Karachi Indian Merchants Association, the Karachi Chamber of Commerce, the Buyers and Shippers Chamber of Commerce of Karachi all support my Bill.

I now come to the opinion of the Millowners Association of Bombay of which my Honourable friend, Mr. Mody, is the President. At the outset, I stated that this Bill sought to protect the names of "Khaddar" and "Khadi" from the dishonest manufacturers of spurious articles. I am not surprised that those who indulge in such shady transactions and who are trading upon the patriotism of the people should be the people to oppose my Bill. These gentlemen, when it touches their pockets, come here to this House with begging bowls, not only do they come to the floor of the House, but they also follow us in the lobby and seek our support when they are in dire need. But when it comes to the question of affording legitimate protection to the indigenous industries of this country, I mean the hand loom cottage industries, they come out in true colours. My Honourable friend,

[Mr. Gaya Prasad Singh.]

Mr. Mody, is solicitous for the support of this House with regard to the Bill which is now pending, and which, I am glad to say, was not finished yesterday, because the attitude of many of us with regard to his Bill will be determined by the attitude which he takes up here on my Bill. If my Honourable friend is sincere in his profession, with regard to protecting the mill industry of this country, he should at least have the fairness to appear in cloths produced in his own mills, whereas I find he is distinguishing himself in borrowed plumes, and appearing in British costumes.

Well, Sir, the Burma Chamber of Commerce raises no objection to my Bill. The Burmese Indian Chamber strongly supports the Bill, as also the Chettiyar's Association. The Chinese Chamber in Burma does not oppose the Bill. If it is the desire of the House that I should read out the Bombay Millowners' Association's opinion, I will do so. They say :

"According to the Statement of Objects and Reasons appended to the Bill the names 'Khaddar' and 'Khadi' have come to denote hand-spun and hand-woven cloth only. It is pointed out that considerable progress has been made in recent years in reviving and popularising as a cottage industry spinning and weaving by hand as a supplementary occupation among the agriculturist population of this country, who stand in need of an additional source of income. Such progress as has been achieved is very largely supported by the patriotic impulse of the poorer and well-to-do classes who are purchasing khaddar or khadi even at a sacrifice. The situation is sought to be taken advantage of by manufacturers of spurious khaddar both in India and abroad, and purchasers have been frequently misled to the detriment of what might easily become a great national industry. In other words, it is contended that the term 'Khadi' or 'Khaddar' means 'hand spun and hand woven cloth only', and on this contention the objection to the use of such terms by manufacturers of 'spurious' Khaddar both in India and abroad has been largely based. The Committee of this Association have examined the contention and they find that, while the Mover has himself admitted that the production of 'Khadi' on hand looms was revived and popularised only in recent years, such cloth has been manufactured by the Indian mill industry from very early times."

But, Sir, the millowners of Bombay forget that, even before the advent of mill industry in this country, "Khaddar" or "Khadi" was used, and manufactured as cottage industry in this country from time immemorial.

The Millowners' Association, Bombay, further proceed :

"The first authoritative census of Indian mill production was taken in 1896-97, i.e., after the Cotton excise duty had been in operation for some time, and in the administration report published by Government in July, 1896, a reference was made to the production of khadi in India mills and the tariff valuations under the Act published by Government from year to year since that date up to the abolition of the duty in 1926 throughout mentioned the production of khadi which was also valued at a lower figure than most of the other types of cloth. These facts show that the term in question has been commonly used in reference to coarse cloth produced in Indian mills."

Sir, this Association is evidently wrong in saying that since the time their mills began to produce this coarse khadi, the genuine stuff has come into existence, whereas, as a matter of fact, the genuine stuff has been in existence from time immemorial even before the dishonest manufacturers of "Khaddar" began to turn out spurious imitation of the genuine stuff in their mills. Sir, it will be a waste of time to read any further the stuff to which I made reference just now. I am glad to say that the Central Provinces Government have recorded the following opinion :

"With regard to the specific points on which information is desired the Governor in Council is of opinion that (a) the evidence available on the point is conflicting, but if the statements of interested concerns are discounted it would appear that trade

custom in the province confines the use of the term 'Khaddar' to hand woven cloth made from hand spun yarn, (b) it is desirable to impose the definition by law in order to protect genuine khaddar and those who produce it or buy it against spurious khaddar sold as the genuine article, (c) there should be no difficulty in administering the law in the internal markets of the province."

The Deputy Commissioner of Jubbulpore, and Akola Factory Owners Association have supported my Bill. The Government of Punjab seems to be neutral. They say that : "it is unlikely to do much harm or much good to anybody". I will now come to the opinion of the High Court, Punjab. The Honourable Justice Sir Abdul Qadir has supported my Bill, and, in doing so, he says :

"In my opinion the Mover's observations at the end of the Statement of Objects and Reasons are quite correct that the exclusive use of these terms for this cloth cannot prejudicially affect *bona fide* purchasers or distributors of any other variety of cloth. I do not see any objection to this Bill being passed into law."

This opinion is agreed to by other Judges of the Punjab High Court including the Chief Justice. The Director of Industries of the Punjab, the Indian Chamber of Commerce, Punjab, and the Merchants' Association and the Northern India Chamber of Commerce have all expressed themselves in favour of my Bill without any qualification. The Punjab Trades Association state that the objects aimed at are sound and that the provisions of the Bill meet their support. The Deputy Commissioner, Gurdaspur, the Sub-Divisional Officer, Moga, the Punjab Trades Association, Lahore, the Simla Trades Association have all approved my Bill. I have already stated that barring the Government of Bengal all other public bodies in Bengal have supported my Bill. I will, therefore, assume that barring the few Local Governments whose opinion I presume is tinted with political bias—because this movement in favour of the propagation of "Khaddar" was supported by the Indian National Congress—I say barring the few opinions of the Local Governments, the overwhelming consensus of opinion both among the European public bodies and Indians is in favour of my Bill. My Bill does not seek to force anybody to wear "Khaddar", I only want that the trade description should confine the terms "Khaddar" and "Khadi" to cloths spun and woven by hand in India. And it is only those people who trade in spurious articles that may have any objection to the Bill. I, therefore, without taking any more time of the House, move my motion.

3 P.M.

Mr. President (The Honourable Sir Shanmukham Chetty) : Motion moved :

"That the Bill to provide for the protection of the names "Khaddar" and "Khadi" used as trade descriptions of cloth spun and woven by hand in India, be referred to a Select Committee consisting of the Honourable the Law Member, the Honourable Sir Joseph Bhole, the Honourable Sir Frank Noyce, Mr. Abdul Matin Chaudhury, Sir Lancelot Graham, Mr. S. C. Mitra, Sardar Sant Singh, Mr. B. R. Puri, Mr. S. C. Sen, Mr. Vidya Sagar Pandya, Mr. Uppi Saheb Bahadur, Mr. J. Ramsay Scott, Raja Bahadur G. Krishnamachariar, Khan Bahadur Haji Wajihuddin and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. H. P. Mody (Bombay Millowners' Association : Indian Commerce) : Sir, my Honourable friend, Mr. Gaya Prasad Singh, waxed indignant over the sins of the Bombay millowners yesterday and has come back to the attack and worked himself up into a state of positive fury today. He went the length of suggesting that those people who had the effrontery to oppose his very innocuous motion,—innocuous according to

[Mr. H. P. Mody.]

the testimony which he himself read out,—were actuated by dishonest motives. Well, Sir, I do think that my Honourable friend knows exactly what he is talking about, and if he is thinking of dishonest persons he must be speaking with experience of the parts of the country from which he hails. So far as the Bombay millowners are concerned my Honourable friend ought to know that this Bill does not affect them one bit and that their attitude is not only positively unexceptionable, but absolutely disinterested. Some three or four years ago, in response to public sentiment and in view of various discussions we had with those interested in the movement, the Bombay mills voluntarily gave up using the name “Khadi” or “Khaddar” on any of the cloth produced by them; and if, in spite of that, there are people who are using those names on mill-made cloth, then my Honourable friend ought to apply his search-light nearer home and find out whether from his own district or from adjoining districts that very class of people does not come.

Sir, if I oppose the principle underlying this Bill, I oppose it, because I think it is altogether wrong, and not because the interests which I represent are affected in any way. I have already made it perfectly clear that, if this Bill were passed, it would not affect a single mill in Bombay. We have given up the use of the names “Khadi” and “Khaddar” and we do not care whether that is enforced by legislation or otherwise. But I want to point out to the House several serious objections before this Bill is passed, or its principle accepted by reference to a Select Committee.

The assumption on which my Honourable friend proceeds is that “the Bill seeks to extend the protection afforded by the Merchandise Marks Act, 1889, to the names ‘Khaddar’ and ‘Khadi’ which have come to denote hand spun and hand woven cloth only”. Who told him that? I want to know whether he challenges the information contained in the representation which we have submitted on this question, namely, that ever since 1896, *i.e.*, since the time from which records exist, if not much earlier, the name “Khaddar” or “Khadi” has been used to denote mill-made cloth of a coarse variety. (*Voices*: “No, no.”) What is the use of saying “no” when we have got here a statement which challenges contradiction:

“The first authoritative census of Indian mill-made production was taken in 1896-97, *i.e.*, after the Cotton Excise Duty had been in operation for some time, and in the Administration Report published by Government in July 1896, a reference was made to the production of ‘Khadi’ in Indian mills, and the tariff valuations under the Act published by Government from year to year since that date up to the abolition of the duty in 1926 throughout mentioned the production of ‘Khadi’ which was also valued at a lower figure than most of the other types of cloth.”

I say, therefore, that it is entirely wrong to contend that the terms “Khadi” and “Khaddar” are associated in the public mind with hand spun and hand woven cloth only. It is perfectly true that, long before the mills started manufacturing cloth, coarse or otherwise, there was the hand loom industry in existence. As a matter of fact, it is well known that India is the birthplace of the textile industry. But it is equally true that for as many years back as we can see, mill made cloth was turned out as “Khadi” cloth, and was classified as “Khadi” cloth in official publications. Therefore, it is wrong to suggest that the name has come to denote hand spun and hand woven cloth only. That is not only the opinion of my Association, but also of other Associations. The Bombay Chamber of Commerce have said that; I think also the Bengal Chamber of

Commerce ; and one of the Punjab Chambers want to be quite assured before they can give their adherence to the principle of this Bill that the term " Khadi " is associated in the public mind with hand spun and hand woven cloth only. I will read in this connection an extract from the opinion given by the Punjab Chamber of Commerce, Delhi :

" My Committee find that trade custom does not confine the use of the word ' Khaddar ' to hand spun and hand woven cloth only but that the term appears to cover any kind of coarse cloth. They feel that if it is intended by means of legislation to restrict the term to apply to hand woven and hand spun cloth, the effect of the enforcement of the provision in the internal markets of India would be impossible to secure. They are therefore not in favour of the Bill."

It is refreshing to find an organisation which is also Indian and which cannot be accused of being reactionary in its views pronouncing very much the same view about this question as the Association which I represent, and which seems to be more or less anathema to some of my friends in this House.

An important point which the sponsors of this Bill forget is that it is not likely to help the hand loom weaver for whom so much solicitude has been and is being expressed. Now, how is the hand loom weaver going to be helped by this Bill ? It may be that a large number of hand loom weavers spin their own yarn and use it in the manufacture of coarse cloth. But there is also a very large class who use mill made yarn for this purpose. Are you going to prevent them from turning out coarse cloth and selling it under the denomination under which they have sold it all these years and perhaps, all these centuries.

Mr. Gaya Prasad Singh : Centuries ?

Mr. H. P. Mody : Yes. I am quoting your own words. You say that, from time immemorial, the hand loom industry has manufactured coarse cloth. I agree and I say that they manufactured it in the old days from hand spun yarn ; today they are using mill made yarn as well. Are you going to stop that large class of hand loom weavers who are using mill made yarn for this purpose from continuing to manufacture " Khadi " and passing it on to the market as " Khadi " ?

Mr. Gaya Prasad Singh : But mills did not exist in old times.

Mr. H. P. Mody : I am talking of the last 40 years and more during which hand loom weavers have been in the habit of using mill made yarn for the purpose of manufacturing coarse cloth and passing that on to the market as " Khaddar " and " Khadi ". This Bill, if it became law, would stop the hand loom weaver from doing so, and I want to know from the champions of the hand loom weaver whether they regard it as in his interest that he should be prevented by legislation from losing his market in the cloth which he has turned out all these years.

Then, Sir, there is this other question. Today it is sought to give a sort of legislative sanction to the use of the word " Khadi ". Tomorrow, in the interests of the hand loom weavers, somebody will come forward and say " We should have a trade mark in the word, *sari* or *lungi* or *mulmul*, because hand loom weavers have been manufacturing these cloths for centuries ; and now the mills are manufacturing and competing ; and so to preserve the hand loom weaver and in his interests we should have a sort of trade mark in those words ". My objection is that you cannot justly introduce this principle, and if you introduce it, there may be no limit to its expansion. Assuming, however, that it was right in the interests

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of a certain section that the hand loom weaver should be penalised, that the mills, which are still using the name of "Khadi" and "Khaddar" should be penalised; then what I want to know is whether my Honourable friend has made sure that the Act would be workable. On that there are certain opinions which I would like to read to the House. The Director of Industries, Bombay, an Indian officer of experience, says :

"If the mills continue to produce their present variety of cloth now termed 'Khaddar' or 'Khadi' and merely change its name under the proposed legislation to say 'Dungri', it will be, I think, quite impossible to prevent its sale as 'Khadar' in the internal markets of India. It does not seem practicable or desirable to prevent the Mills from making coarse plain cloth which can be sold fraudulently as 'Khaddar'."

In other words, even if you put through this legislation, unless you go a great deal further and actually prevent by legislation mills from turning out coarse cloth and also the hand loom weaver from turning out coarse cloth from mill-made yarn, the Act will be thoroughly inoperative and will lead to a great deal of fraud. In the same direction is another opinion, and it is from the Deputy Commissioner, Nagpur, who says :

"No amount of legislation will prevent a dealer who is determined to pass off 'mill-khadi' as hand-made 'khadi' from deceiving ignorant customers. It would be extremely difficult to give effect to the proposed legislation and on the whole I consider that it is neither necessary nor advisable."

That brings me to something which I regard as the greatest objection to the present measure, and I put it plainly before this House. To-day we are sought to be prevented from labelling particular types of coarse cloth as "Khadi" or "Khaddar". Tomorrow that may be found insufficient and it may be sought to be enacted that mills should be prevented altogether from manufacturing coarse cloth. I do not regard this as an exaggerated fear at all, because I may say that the attempt was actually made two or three years ago ; it was a very determined attempt, which we resisted with all our might. That attempt was that certain types of cloth should not be manufactured at all in Indian mills ; we said it would be utterly impossible and we would not agree. Some such idea might be lying at the bottom of my Honourable friend's Bill, and the position then is that, without going a great deal further than this legislation, it is impossible to give the protection which my Honourable friend has in view.

I would like to read just one more opinion and that is in regard to the Merchandise Marks Act in which it is sought to embody this legislation. The Government of Bombay say :

"Since it is not the purpose of the Merchandise Marks Act to restrict unnaturally the application of well-known terms which are in common use, the Governor in Council is of opinion that the Bill is opposed to the spirit and intention of that Act, and further anticipates that great difficulties would be encountered in enforcing its provisions if it were to become law."

I have put as briefly and, at the same time, as comprehensively as I can my reasons for opposing the principle underlying the Bill. I ask my Honourable friends, who threaten me and say that my attitude on this question will determine their attitude to some other question, to weigh carefully my objections and at least to give me credit for disinterestedness of motive. My Association—and I repeat that with emphasis—voluntarily gave up the use of these terms, "Khadi" and

"Khaddar", on all cloth which was manufactured and labelled for many years as "Khadi" and "Khaddar"; and, if we oppose this measure, it is because we feel that there are strong objections to it on the ground of principle. My opposition must not be construed as a factious sort of opposition on the part of people who are always out to fight for their own interests, but who ignore all other interests. I ask my Honourable friends to consider this carefully before they seek to attack on all manner of occasions the Association which I represent. I say that the Bill is wrong in principle, that it will lead to a lot of fraudulent evasion, and that, from every point of view, my Honourable friend will be defeating the very object which he has in view. If my Honourable friend still thinks the opposition comes from dishonest millowners, I say he will be very well advised in looking for them nearer home.

Mr. C. S. Ranga Iyer (Ruhilkund and Kumaon Divisions : Non-Muhammadan Rural) : Sir, the Honourable gentleman from Bombay who has just concluded his speech rather unthinkingly gave his whole case away for the opposition to this very necessary piece of legislation. He gave his case away when he said that his own Association, of which he is so proud and which he has been representing with great ability here and elsewhere, found it necessary to fall in line with the principle of this Bill long before this Bill was brought before this Assembly. Example, they say, is better than precept ; but he wants us to follow his precept and not his Association's example. I would ask every Association, similarly situated and similarly handicapped like his, to follow the example of his own Association so that fraud, which he has been elaborating upon and dreading very much, would be reduced to the minimum. If the passing of this legislation will create on an elaborate scale fraudulent transactions, he is only incidentally commenting on the class of people who compete with the village manufacturer and with the village labourer, the hand-spun and hand-woven cloth maker. I do not think that the millowners of India are such a despicable class of people as to compete with the village labourer, with the village industrialists, on fraudulent lines. I believe that every millowner in this country will rise to the same position as the Association and mills that the Honourable gentleman has the opportunity to represent here and elsewhere. He quoted with some effect the Bombay Government's view. We have to attach, I admit, importance to the view of the Government of Bombay or of any Provincial Government in this matter. The Government after all have to work out the policy arising from a legislation. They find that the spirit of the Merchandise Marks Act will be defeated, if this Bill is passed ; but it is for Governments not to dread calamities, but to face realities. I will not go centuries back as perhaps the Mover did according to the version of the Honourable gentleman who has just preceded—I will not even go to half a century back : I would rather go to ten years back and ten years forward. Less than ten years ago, in this House, the late Pandit Motilal Nehru—who was then dressed in home-spun and hand-woven, sometimes foot-woven, because he was wearing the home-made cashmere and, therefore, he often used to say "I at any rate am encouraging hand-spun and foot-woven cloth"—I say the late Pandit Motilal Nehru was the sponsor of this Bill and, when he came forward with a Bill of this kind, he was animated by the idea of encouraging the cottage industrialist. Within the last ten years the cottage industrialist has received encouragement on a scale not known in the past. Within the last ten years there has been a public awakening in this country, an

[Mr. C. S. Ranga Iyer.]

awakening which at the next election many of us on this side will have to face. There has been such an unprecedented awakening in this country that if this Legislature is merely to exist for the purpose of the millowners and not for the purpose of the village industrialist, I am afraid this Legislature will condemn itself as a purely capitalistic body with no kind of sympathy whatever for the indigenous cottage industrialist. I may say that we have given adequate protection to the millowner. If you weigh in one scale the protection and the cost at the expense of the taxpayer for the consideration that we have given to the millowner, and if, in another scale, you put the lack of protection you have given to the agriculturist, to the agricultural labourer who comes for six months in the year under the category of the unemployed, you will find that this Legislature has been much too lenient to the millowner. I have been consistently and persistently, both in and outside this House, been an advocate of the cause of the millowners, but if the millowners stand up and say, this protection must not be extended to the cottage industrialist, they are only erecting before them a barrier of disadvantage which they will do well not to do. They will be only inviting unnecessary trouble in a sympathetic House. So far as I am concerned, the hostility of the Honourable Member does not mean my hostility to another question affecting the millowners which may come forward in this House. I propose to examine each measure on its merits. The millowner is entitled to his protection as the Honourable the Commerce Member has on more than one occasion adequately shown when he denounced the Japanese Convention in April last with the entire support of this House, and when he now proposes, I hope, with the entire support of this House, to enter into negotiations, unfettered, with all the encouragement that a representative of this House, the Leader of this House identifying himself with the opinion of the Opposition as well as the Government, deserves. (Cheers.) Therefore, Sir, there is no question of threat. "Threatening" was a phrase that emanated from the lips of the Honourable gentleman who preceded me. We are not here to threaten. We are here to see how much and in what manner we can encourage the indigenous industries.

My friend has told us that "Khadi" has been produced by the millowners for a long period, "Khaddar" has been produced by them for a long period. That is so. We concede that fact, and that is why we say that mill-made "Khaddar" should not, on dishonest grounds, compete with hand-spun and hand-woven. That should be known not as "Khaddar" or "Khadi" but call it by any other name you like. The millowner has an organization unparalleled in this country. The poor cottage industrialist only serves a few cottages in a village, and, therefore, why should he not seek the legitimate protection to which he is entitled under the piece of legislation that my friend, Mr. Gaya Prasad Singh, has brought forward? I would ask my friend, Mr. Mody, not to become very embarrassed. I would ask him to follow the example of his own Association which he incidentally placed before us, and I would tell him that in India there is place, very much more, for the village hand loom weaver, for the hand-spinner and the hand-weaver than for the millowner. The millowners have come to stay, and we shall give them protection, but he said almost in bathos, with very much of pathos,— "supposing you prevent the millowners from manufacturing 'Khadi' "

or 'Khaddar'." That is the right of a democracy. If, in future years, the widened electorates send a large majority of representatives who say that the mills must be abolished, neither my friend, Mr. Mody, nor myself can prevent what might happen. We are concerned with this House, and this House has nowhere threatened to abolish the mills making "Khaddar" cloth. It may be that in future, mills may be abolished altogether; it may be that the will of the future Legislatures may be that the mills should not exist; it may be that they may go back to the primitive stages of civilization and hand spinning and hand weaving on which Mahatma Gandhi has written a good deal in his book the "Hind Swaraj"; it may be that some of us may be opposed to them; it may be that some of us may be in favour of them; but all will agree that the actual experience of a calamity is less fearful than a prospective view of it. We are today concerned with the legitimate rights of the village industrialist. India lives in the villages and the cottages, and my friend, Mr. Mody, weakened his case when he came forward in the name of other mills than his own to draw a red herring across this piece of legislation. (Cheers.)

Sir Cowasji Jehangir (Bombay City : Non-Musammadan Urban) : I think, Sir, this little Bill has evoked a considerable amount of enthusiasm on both sides which is quite unnecessary, and I may also add that the facts produced both by the Mover of this Bill and by Mr. Mody are also quite correct. It is no doubt true that "Khaddar" was the name given to all coarse cloth, whether produced by the hand loom or by machinery, but, after a certain school of thought carried on propaganda in this country for the use of cloth woven on hand looms from yarn produced by hand, that cloth became known as "Khaddar" throughout the length and breadth of this country. I have also no doubt that the cloth produced by mills and also called "Khaddar" was bought by some ignorant people believing it to be the "Khaddar" produced by the villages on the hand loom. The mill made cloth was cheaper, and it looked very much like the stuff made on the hand loom, and naturally the people went in for it. Those, who had formed Associations to encourage the use of hand-made cloth, suffered. They found a competitor in a cheaper cloth made by the machine which ignorant people could not distinguish one from the other. Well, Sir, it was not the fault of the mills that they could produce a cloth which could compete with the hand made article and which people could not distinguish one from the other. But if any mills went out of their way to sell their cloth to agents who would pass off the mill made cloth on to the ignorant public as cloth made by the hand loom, then they were certainly guilty of fraud, and I have every sympathy for any Honourable Member who would desire to stop that practice. I cannot see any objection to any mill making cloth which may be known as "Khaddar" provided that to ensure that the ignorant people did not buy it as hand-made stuff you can call it mill made "Khaddar".—you can provide by legislation that that "Khaddar" shall be sold as mill made or machine made, and then, if the people choose to buy it in preference to hand loom "Khaddar", I do not think that any Honourable Member of this House can have a legitimate grievance. The only grievance is that it should not be bought in ignorance for the hand loom stuff, but I cannot see where the legitimate grievance comes in if people, with their eyes open, choose to buy stuff, because it is cheaper. You cannot prevent that.

[Sir Cowasji Jehangir.]

If you confine the word "Khaddar" merely to hand-made cloth, to cloth made on hand looms, you might prevent mills from making that stuff and legitimately selling it on to the market as machine made or mill made "Khaddar".

I would like to know, if this Bill became an Act, would it be illegal to stamp cloth as machine made "Khaddar" or mill made "Khaddar"? It would be. That would be rather hard, would it not? Would not any Honourable Member sympathetically look upon a complaint of that sort? Why do you prevent a mill from stamping its cloth as mill made "Khaddar" or machine made "Khaddar"? What you want to do is to prevent a mill or its agents from committing a fraud, that is, passing off its cloth as cloth made upon the hand loom. Therefore, if the Select Committee can, by amending this Bill, so ensure that fraud is prevented, but, at the same time, mills may be allowed to produce coarse cloth which they may be allowed to stamp as mill made or machine made "Khaddar", I can see no objection to this Bill. I am entirely in sympathy with all Honourable Members who desire to prevent fraud. I am also against any Bill, any legislation which would hamper the manufacture of machine made cloth. And I feel sure that there is not one Honourable Member in this House who really at heart desires to prevent the improvement, and the expansion of the mill industry. We hear a good deal of criticism, but, knowing my Honourable friends as I do and knowing the support that they have given times out of number to the mill industry, I cannot for one minute believe that any one of them would raise a little finger to harm an industry that has served this country loyally and well from the richest to the poorest, from the very day on which it came into existence. Therefore, I do believe that this Bill can be amended so as to serve this purpose, and I would appeal to the Mover of the Bill to take the initiative in the matter to see that this Bill serves its purpose without doing any injury to the great industry of which, I am sure, I am confident he is as proud as any one, any province or any community, who has had anything to do with it from its very inception.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways) : On a previous occasion, when speaking on this measure, I made it clear that the House should not assume that Government were necessarily opposed to this Bill. I made it clear that Government desired to keep an open mind in the matter until they were in possession of the views elicited by circulation. The result, Sir, of circulation has been to elicit a certain conflict of opinion. So far as Provincial Governments are concerned, I think only two are in favour of the Bill.

Mr. Gaya Prasad Singh : The third is neutral.

The Honourable Sir Joseph Bhore : There are not merely three Provincial Governments in India.

Mr. Gaya Prasad Singh : I know.

The Honourable Sir Joseph Bhore : There is by no means general agreement as to the application in practice of the terms "Khaddar" and "Khadi". The application of these terms seems to vary in different provinces. Equally, Sir, there is no agreement as to the advisability of confining these terms to handwoven and handspun

fabrics alone. I would bring to the notice of the House the opinion expressed by the United Provinces Government :

"The Government is of opinion that the proposed legislation would be definitely harmful to the hand loom industry."

They say that it would also inflict hardship on the hand loom weaver who uses coarse mill made yarn on his hand looms and who claims that his product is superior.

Coming to a third point, namely, whether the enforcement of this legislation is practicable, there is a very large measure of opinion to the effect that effective enforcement would not be possible. My own feeling generally is that expressed by the Punjab Government, namely, that this piece of legislation would do very little harm to any one and it would certainly do very little good. Faced with these divergent views, the Government of India have found it somewhat difficult to decide upon the course they should adopt. They certainly do not want to assume an attitude of hostility to this Bill. On the other hand, they do feel that in view of the fact that circumstances and conditions do not appear to be the same in all the provinces, it would not be advisable to have a uniform legislation for the whole of India without the consent of the Local Governments concerned. I want, therefore, to make it clear that Government will not oppose this piece of legislation if a provision is inserted making its application to a province depend upon a prior notification by the Local Government concerned. (Applause.)

Nawab Major Malik Talib Mehdi Khan (North Punjab : Muham-madan) : Sir, I rise to make a few remarks in support of the motion put forward by my Honourable friend, Mr. Gaya Prasad Singh. It is known all over that many indigenous industries have been ruined in this country. Coming from a village as I do, I am in a position to say that it has brought on untold misery, and, with the financial depression that is on and the prices of agricultural produce at the lowest level, it is absolutely necessary that the poor villagers should have something to fall back upon when they find that agriculture is not paying. No doubt, we cannot compete with the mill cloth or the stuff manufactured in factories, but we must see that those who are living in small places and have got some time to spare have some occupation to supplement the scanty earnings they make by following their ordinary profession. If we go on comparing the prices of the commodities, I must say that the time is not far off when everything that we are making has to give way to some foreign article. We have seen how the manufactured ghee supplanted our natural product. And it is not unlikely that a time may come when manufactured eggs will take the place of natural eggs laid by our hens to ruin another branch of our cottage industry. Look at the dyeing industries in our country which have been ruined by aniline dyes and it is feared that flour, cotton and other such things may be replaced by artificial products. Science is making such progress that there is a danger of its turning out the poor zemindars, to which class I belong, from their ancestral callings. It is our duty to help the zamindars to stick to the means of subsistence they have got and I would ask my friends on the other side, who are the champions of the mills, not to press their objection. Sir, I will read before the House a Persian couplet, which runs as follows :

*"Man az bégánagán hargiz na nálam
Ki bá man har chi Kard án áshná Kard".*

[Nawab Major Malik Talib Mehdi Khan.]

Which means that I do not weep on account of what has been done by foreigners, I weep on account of what has been done to me by my friend. So I ask my friends on the other side to bear with us and see that the cottage industries are maintained and improved. Owing to the constant struggle for life going on in the world, every patriot is required to help the poor peasants who are living in small cottages to improve their lot.

Mr. B. Das (Orissa Division : Non-Muhammadan) : Sir, I am grateful to the Honourable the Leader of the House for participating in the debate at an early stage and defining the Government point of view and I am very glad he did not support the views advocated by my friends, Mr. Mody and Sir Cowasji Jehangir.

An Honourable Member : They did not oppose the Bill.

Mr. B. Das : But Mr. Mody did oppose. The very fact that the Leader of the House ignored the observations of the representatives of the millowners shows that my friend, Mr. Mody, has been given the cold shoulder by the Government. I am 47 years of age and I live in the villages where the names of "Khaddar" and "Khadi" have never been used to represent the mill made cloth. I have no connection with the millowners except that I hobnob with them on the floor of this House. Under the inspiration of the saint of Sabarmati, the name of "Khadi" has become hallowed and it was never applied to the mill-made cloth. As my friend, Mr. Gaya Prasad Singh, pointed out that in the last few years' owing to high premium of "Khadi", the millowners produced mill "Khadi" and the dealers sold it as "Khadi". My friend, Sir Cowasji Jehangir, wanted an assurance that nobody should ban the mills to produce "Khadi". My friend, Mr. Gaya Prasad Singh, or we here, or those working outside for the spread of "Khaddar" all over India, do not want to prohibit the mills from manufacturing such coarse stuff as they like, but they should not misuse and misapply the name of "Khadi". I come from the sea coast of Orissa and there the local produce of the hand loom weavers is known by the name of "Khadi". Mahatma Gandhi lived his early life in Kathiawar and in Gujerat district and can my friends, the millowners, deny that only during the last few years the name of "Khadi" and "Khaddar" have obtained such high premium and some dishonest millowners,—they are not present here,—have tried to exploit popular sentiment in regard to "Khadi". I challenge my friend, Mr. Mody, to say whether ten years ago the mills called any of the stuff produced by them by the name of "Khadi". He talked of the Merchandise Act. Many of the older Members of this House will say from their own experience of the country side that the coarse stuff made by the mills was never known by the name of "Khadi", but was known as "latta" or some other name. Mr. Mody said, that they entered into a certain pact about "Khadi" with the Congress leaders of Bombay. They entered into that pact to save their own necks. These millowners entered into a pact with Mahatma Gandhi and agreed to finance the propagation of "Khaddar". Probably my friend, Mr. Mody, thinks that the Congress movement or the "Khadi" movement is dying out. Mr. Mody quoted the Bombay Millowners Association, the Bengal Chamber of Commerce and the Punjab Chamber of Commerce. These Chambers of Commerce consist of either solely Europeans or both Europeans and Indians. So they do not and cannot speak for the real India. What do they know of the conditions of the

masses ? With all due respect to the representatives of the Bombay Chamber of Commerce in this House, I ask them, what do they know of the condition of the millions in this country ? What does Mr. Mody know of the conditions in Kathiawar, Kaira and Gujerat ? Until he became the President of the Millowners Association, we knew him as the Boswell of the late Sir Phirozeshah Mehta and we knew him as a lawyer and politician. My friend quoted the Bombay Chamber of Commerce and, Sir, it was like the devil quoting the scripture. The Bombay Millowners Association is peculiarly situated. I do not mind my Bombay friends being liberal and having Europeans as members, but they can never speak in the name of the masses. They do not know the condition in which the masses live and they are not in touch with the masses.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

He does not know what is happening to the 36 crores of the masses of India. What do the teeming millions understand by the term "Khaddar" and "Khadi" ? They do understand that it is "hand spun and hand woven cloth". It may be that the Government have used that name for years in their blue books, but the public do not use the word in that sense. So I do request the millowners not to be antagonistic to this Bill. I am emboldened to make that appeal after hearing my friend, Sir Cowasji Jehangir, who wants to show his fellow feeling to the teeming millions of India. I appeal to him to respect the sentiments of the people that "Khaddar" and "Khadi" should be the terms applied only to the handspun and handwoven cloth. I may assure my Honourable friend, Sir Cowasji Jehangir, and other millowners that we have no objection to the mills manufacturing the coarser stuff. Let them go on trading as they used to do before 1920 or 1925. They should not take advantage of the national sentiments and the patriotic fervour that is sweeping the whole nation. The word "Khaddar" has got a holy charm attached to it ; it has come to be identified with the sacred name of Mahatma Gandhi and today everything that is pure is associated with it. Why should the millowners take advantage of it in order to make a little more money ?

Mr. H. P. Mody : But we have not taken advantage ; we have given it up.

Mr. B. Das : I am grateful to my Honourable friend, Mr. Mody, for entering into that pact with the Congress leaders a few years ago. Why should my friends come forward now and ask for a provision in this Bill that the millowners can stick labels "Mill Khadi" ? My friends know as much as we know that the masses in the countryside are not so cultured as the millowners of Bombay are. When they ask for "Khadi" and the dealers supply them mill "Khadi", the millowners are abetting the retail tradesman to cheat the public. I am grateful to my friend, Mr. Gaya Prasad Singh, for bringing this Bill. My friend, Mr. Ranga Iyer, has reminded the House that Pandit Motilal Nehru of sacred memory was also of that opinion. So, I do hope that nobody in this House will raise his voice against this measure. I am grateful to the Honourable Sir Joseph Bore, because he did not support the arguments advanced by Mr. Mody nor did he agree to the amendment which Sir Cowasji Jehangir suggested in the Bill. With these few observations,

[Mr. B. Das.]

I wholeheartedly support the motion made by my friend, Mr. Gaya Prasad Singh.

Mr. B. V. Jadhav (Bombay Central Division : Non-Muhammadan Rural) : Sir, I am in general agreement with the principle of this Bill, but it will be my duty, I think, to place some of the difficulties that I feel before this House so that they may be considered in the Select Committee when it meets. Before the advent of the British, handspun and handwoven cloth of a rough character was known as "Khaddar". India also knew how to make fine cloth and the *Dacca Malmal* is very well known for its fineness, but that *Malmal* was never known as "Khaddar". The use of the word "Khaddar" was confined only to coarse cloth woven by hand from hand spun yarn. The definition given by the present Bill does not confine the word to coarse cloth only, but it seeks to extend its meaning to bring within its purview fine handwoven cloth from hand-spun yarn as well as the woollen cloths and silk cloths. I think this is an extension of the word "Khaddar" and I am not against it. But the difficulty that I feel is about the handwoven cloth from mill yarn. It is well known that, even in spite of the large number of spinning and weaving mills, the number of hand-weavers is considerable and hand weaving is going on to a very great extent. Of course, in comparison with the number of weavers the number of spinners is very small and the supply of handspun yarn is very limited. All the hand loom weavers will not find sufficient work in weaving handspun yarn and, therefore, they have been obliged to take mill yarn and weave cloth from it. The cloth that is thus woven is generally rough and it is sold in the bazar as "Khaddar" or "Khadi". It will, I think, be difficult to prohibit the sale of such cloth under the name of "Khaddar" or "Khadi" when this Bill becomes law. The hand loom weavers do not stamp the name of "Khaddar" on their cloth. They simply pass on the cloth they weave to the merchants and it is the merchants who try every stratagem to sell their wares even under false names in order to secure profit. The Government will have to see how to deal with this difficulty and, I hope, that the Bill will be properly considered in the Select Committee and the new meaning sought to be attached to the word "Khaddar" will be kept in view. I support the Bill.

Rao Bahadur B. L. Patil (Bombay Southern Division : Non-Muhammadan Rural) : Sir, I rise to support the Bill under consideration. While considering the underlying principle of this Bill, it appears to me that many Honourable Members were under some misunderstanding. They raised the question whether "Khaddar" will be in a position to compete with the mills. They also raised the question whether hand loom industry would be a gainer in any way. But we are concerned here only with one question, namely, how false stamps should be prevented and how the ignorant general public, which is in search of hand spun and hand woven "Khaddar", should not be cheated? That is the sole object of this Bill.

That is the principle of the Bill ; but, at the same time, this small principle presupposes that there is in this country a strong desire in a large section of the public to purchase such hand spun and hand woven cloth whether it is made of cotton or silk or wool. It is that assumption which is necessary for us to

consider ; and if this House is convinced that there is such a strong desire among a large section of the public of this country, then certainly the principle is in many ways acceptable. Coming to my Honourable friend, Mr. Mody, I may tell him that "Khaddar" was originally made out of hand spun and hand woven thread in this country before the advent of the mills. In support of what I say, I may bring to the notice of the House that in my vernacular the name is still being used with a little variation by the agriculturists from time immemorial for a certain kind of cloth which they used in carrying agricultural produce. In my vernacular, it is called "gudar" which is just like a big tarpaulin which is used by merchants and the name is still used in my part of the country by the agriculturists. Therefore, what I contend is that the name originally belonged to such hand spun and hand woven cloth and that though the mills borrowed it for a while, they should give it back now to the hand loom industry.

Now, it is a fact that the whole country has adopted that name and it is accepted on all hands that the term is used in that particular sense. It is in the interest of the agriculturists that this protection should be given to this particular cloth. The agriculturists who carry on cottage industry of spinning and weaving in their homes are at a disadvantage, because mills are in a position to pass off mill made cloth as "Khaddar". As the Honourable the Leader of the House has been kind enough to favour this Bill, I do not propose to make any further remarks.

Mr. S. C. Sen (Bergal National Chamber of Commerce : Indian Commerce) : Sir, I do not think there is any difficulty in sending this Bill to the Select Committee. All the speakers except Mr. Mody have practically accepted the principle of the Bill. There are some questions regarding details that can be provided for in the Select Committee. The Honourable the Leader of the House has suggested one particular way of amending the Bill, namely, having regard to the difficulty as to the meaning of "Khaddar" in different provinces, he thinks that if power is given to the Local Governments to introduce this Act in their respective provinces, that would serve his purpose. That is the whole point. Everybody is agreed with the principles underlying the Bill. The principle is to prevent fraud and nobody in his senses can say that you should not do that. It is the duty of the Legislature to see that fraud is not practised so far as it can be prevented. The object of the Bill being to prevent fraud, we have to apply this principle to this particular thing known as "Khaddar". For the first time I have heard today that "Khaddar" was known in the Bombay Presidency several decades ago and that even in 1896 coarse cloths were manufactured by the Bombay cloth mills under the name of "Khaddar". We came to know of the name "Khaddar" only recently after Mahatma Gandhi preached home spinning and *charka*. We in Bengal came to know of "Khaddar" from the lectures and addresses by Sir P. C. Ray who wanted to popularise the use of "Khaddar" among the people. We in Bengal mean by "Khaddar" hand spun and hand woven coarse cloth. After a little while in the bazars certain cloths, under the name of "Khaddar", were introduced by the Japanese, and subsequently our friends, the millowners of Bombay or Ahmedabad, I do not know who, introduced the coarse cloth and now, at the present moment, mill made coarse cloths, not always coarse, but sometimes very good, are sold in Calcutta under the name of "Khaddar".

[Mr. S. C. Sen.]

We now want to prevent that passing of the mill made cloth for real "Khaddar" as the people know in Bengal, and this Bill is the outcome of that attitude. I do not understand why there should be any difficulty in referring the Bill to the Select Committee. We do not want to stop the Bombay mills from manufacturing coarse cloths or manufacturing coarse threads. We only do not want them to sell their cloth under the name of "Khaddar". All we want is that coarse cloth manufactured by mills should be sold under a different name and not that of "Khaddar" and that "Khaddar" should be used to denote only hand spun and hand woven cloth. There is no intention as apprehended by Mr. Mody that we want to prevent the Bombay mills or any other mills from manufacturing coarse cloths. There is absolutely no objection to their manufacturing coarse cloths; in fact we welcome their manufacture of coarse cloths if they are cheap. What we object to is their selling cloth manufactured in mills under the name of "Khaddar". I think the Bill should be referred to the Select Committee to make such alterations in it as may be necessary to protect the name of "Khaddar" from being used by manufacturers who do not make "Khaddar" in the way it is understood by the people.

Mr. Gaya Prasad Singh : Sir, I have not got much to say by way of reply. I am glad to say that my Bill has received a gratifying measure of support in this House. I am also thankful to my Honourable friend, the Commerce Member, for the support which he has been able to give to this Bill. I wish it had been possible for the Government to have fully accepted the Bill as it is without any qualifications, subject to such drafting improvements, as might be suggested by the Select Committee. Situated as this House is, I have to accept with a good grace whatever concessions Government are in a position to give us. I am sorry that the only discordant note has been sounded by my Honourable friend, the representative of the Bombay Millowners' Association. I may assure him that whatever I have said, I had not said in any spirit of hostility to the interest which he represents. I must only make one observation to him, and it is this. Coarse cloth has been produced in India from time immemorial even before the advent of machinery. That sort of cloth was both hand spun and hand woven. It was known by the name of "Khaddar" and "Khadi," long before the mills came into existence in this country. I want to confine the term "Khaddar" and "Khadi" to such coarse cloths that are produced by means of hand exclusively, to the entire exclusion of mill product. My Bill is designed to protect a cottage industry of this country, and I hope that, when passed, it will give employment to some of the teeming millions of this country who have not got much occupation for certain periods of the year. Sir, as the measure has not evoked hostile criticism, I need not speak further about it.

Sir, it has been suggested to me that I should propose the name of Sir Cowasji Jehangir to be on the Select Committee, and I have very great pleasure in proposing his name to be added to the list.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

"That the name of Sir Cowasji Jehangir be added to the names of members of the Select Committee."

The motion was adopted.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

" That the Bill to provide for the protection of the names ' Khaddar ' and ' Khadi ' used as trade descriptions of cloth spun and woven by hand in India, be referred to a Select Committee consisting of the Honourable the Law Member, the Honourable Sir Joseph Blore, the Honourable Sir Frank Noyce, Mr. Abdul Matin Chaudhury, Sir Lancelot Graham, Mr. S. C. Mitra, Sardar Sant Singh, Mr. B. R. Puri, Mr. S. C. Sen, Mr. Vidya Sagar Pandya, Mr. Uppi Saheb Bahadur, Mr. J. Ramsay Scott, Raja Bahadur G. Krishnamachariar, Khan Bahadur Haji Wajihuddin, Sir Cowasji Jehangir, and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

THE REMOVAL OF DOUBTS ABOUT THE APPLICATION OF THE DOCTRINE OF REPRESENTATION, IN CASE OF SUCCESSION TO STRIDHAN UNDER THE DAYABHAG BILL.

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadan Rural) : Sir, I beg to move :

" That the Bill to remove doubts about the application of the doctrine of representation, in case of succession to Stridhan under the Dayabhag, be taken into consideration."

Sir, this is a very simple Bill. For the lay members of this House I may point out that the law of succession in the case of Dayabhaga differs materially from the law of succession under the Mitakshara, and, under the Dayabhaga law, the succession to *stridhan* property follows a different line to that of succession to other properties inherited from males. In the case of the ordinary rules of inheritance under the Dayabhaga law, the doctrine of representation prevails and the word " issue " includes sons and male issue down to the fourth generation, i.e., down to the great grandson. And the doctrine of representation means that, if a man dies leaving two grandsons by a predeceased son and two other sons, then these two grandsons by the predeceased son also inherit as representing their father and they inherit the share which the father would have inherited. That is what is meant by the law of representation. Now, Sir, with respect to the right of representation I may here be permitted to quote from Dr. Jolly who observes :

" That the legal systems of some of the most highly civilised nations of Europe have taken centuries to arrive at the simple and equitable rules devised by the Indian lawgivers of old."

And Manu says :

" To three ancestors must water be given at their obsequies ; for three is the funeral cake ordained ; the fourth in descent is the giver of oblations to them ; but the fifth has no concern with the gift of the funeral cake."

[At this stage, Mr. President (the Honourable Sir Shaumukham Chetty) resumed the Chair.]

Sir, there is some doubt whether or not this doctrine of representation applies in the case of succession of *stridhan* heirs. Sir Gurudas Banerji's " Hindu Law of Marriage and Stridhana " says :

" The question whether the son's sons and the daughter's sons inherit *stridhana per stirpes* or *per capita* has not been considered by the Bengal lawyers. In the absence of any express provisions to the contrary in their writings, the rule laid down in the Mayukha and the Smriti Chandrika that grandsons by daughters as well as grandsons by sons inherit their grandmother's property *per stirpes*, may be taken to be the correct rule also for the Bengal School."

[Mr. Amar Nath Dutt.]

Be that as it may, I may point out that this uncertainty, if any,—I am assured by my lawyer friends that there is none,—require removal in order to clear an ambiguous position. Sir, suppose a female holder of property which is her *stridhan* dies leaving two sons and some grandsons by a predeceased son. I think, like other properties inherited by these sons of the father, there ought to be the doctrine of representation by which these grandsons ought not to be deprived of the property ; firstly, because it is the practice amongst Hindus, as I may remind the House, and Indians generally to purchase property in the name of their wives which may be claimed as *stridhan*. Now, the sons who are alive may be grown up men and may be in service with an ample income and they may not need to inherit the *stridhan*. But these grandchildren are most likely to be infants or minors and they need more help than anybody else. So to deprive these grandsons would not be proper. As the law is not quite clear on that point, I want to have those doubts removed. It may be said that in the case of *stridhan* there is another objection, namely, that the daughter's sons go before son's sons in some cases though not in all cases. Even in that case my Bill does not deprive them of their rights of inheritance. For, it is only when the son inherits as heir to *stridhan*, then and then only the son by a predeceased son and the great grandson whose father and grandfather are dead shall be deemed to have the right to inherit, according to the doctrine of representation, along with the sons. I draw the special attention of the House to the words "along with the sons". It does not over-ride the claim of daughter's sons who may in some cases come first and it is when the sons inherit and the daughter's sons do not come in, that I say that the doctrine of representation should be applied. In this case, of course, I find that Government have given notice to have the Bill circulated for opinion and certainly I will not have any objection to its being circulated. But, in view of the explanation I have given of the case of the grandchildren of a predeceased son, inheriting along with sons who inherit before daughter's sons, I think Government can still consider whether or not they should ask it to be circulated. I shall bow to whatever they may decide in this matter.

Sir, I move.

Mr. President (The Honourable Sir Shaumukham Chetty) : Motion moved :

" That the Bill to remove doubts about the application of the doctrine of representation, in case of succession to *Stridhan* under the *Dayabhag*, be taken into consideration."

The Honourable Sir Bepin Behary Ghose (Law Member) : Sir, I move :

" That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st December, 1933."

I find it somewhat embarrassing not to oblige my friend, Mr. Dutt, whom I know from his legal infancy and that I must move this amendment. There is some difficulty about this law. What my Honourable friend has said about the doctrine of representation applies to succession in the case of property left by males ; and it is quite true that sons' sons, grandsons and great grandsons all inherit the property according to the principle of funeral oblations being given by all of them. The difficulty about *stridhan*

is that such rule does not apply. In case of *stridhan*, daughters succeed before sons and, in the line of succession, as my friend has pointed out, after the sons come the daughter's sons and it is the only instance in the Hindu law where the daughter's sons come before the son's sons. Some distinction is sought to be made in the Bill that where the son is alive, he naturally excludes the daughter's sons, and with him the other predeceased son's sons should inherit. I need not trouble the House with regard to the technicalities about succession to *stridhan* property. There are differences as regards the different schools of law and, as that accomplished lawyer, Sir Gurudas Banerjea, has said, after certain relations actually named, it is all jungle as to who will succeed ; but with regard to the question of daughter's sons and son's sons, it is clear that the daughter's sons come before the son's sons. I move my amendment.

Mr. President (The Honourable Sir Shanmukham Chetty) : Amendment moved :

" That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st December, 1933."

Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) : Sir, I feel that there is some ground for the doubt entertained by the Honourable the Mover of this Bill as regards succession to *stridhan* under the Dayabhaga law. I do not belong to Calcutta, but, as a lawyer, I know what Dayabhaga school dictates and what the Mitakshara says. I find that under the law, as it stands at present, succession to *stridhan* will go *per stirpes* and not *per capita*. To be plain, it will go by representation and, if that is so, then there should be no doubt when there is a grandson and also a grandson by a pre-deceased son, as to their succession, because the property will be divided into two halves, one going to one grandson and the other to the other, no matter if the son is predeceased. However, whatever doubt there is should be removed. As, however, the law or the commentators have not made that point quite clear, it seems to me quite right that it has been found necessary by the Mover of this Bill to have the law settled down. What do I find in Mulla's " Law of Inheritance " ? On *Stridhan* under the Dayabhaga law, what Mulla's " Hindu Law " (page 159) (7th Edn.), says runs thus :

" *Stridhana* heirs in the second generation, that is, son's sons, daughters' sons, and daughters' daughters, take *per stirpes* and not *per capita*."

Then, there is an illustration which makes it quite plain even to a layman :

" A female Hindu dies leaving two sons by a daughter A, and three sons by another daughter B. Her *stridhan* will be divided into two parts, of which one will go to the two sons of A, and the other to the three sons of B. To divide it *per capita* would be to divide it into five equal parts, and to give one share to each of the five grandsons."

The only question remains : supposing, in this case where there were two grandsons through a son and two grandsons through a daughter, there had been one more grandson also from a predeceased son, what would happen ? If we take it that the principle is that succession will go *per stirpes*, the property will have to be divided into three shares, one going to the two grandsons by the son, one to the daughter's sons, and one to the son of the predeceased son....

The Honourable Sir Bepin Behary Ghose : I am sorry to say that Mr. Navalrai is under some misapprehension ; it goes *per stirpes*, quite

[Sir Repin Behary Ghose.]

true ; but if there is a grandson by a predeceased son and a grandson by a predeceased daughter, the grandson by the predeceased daughter succeeds first.

Mr. Lalchand Navalrai : Applying the general Hindu law, there also the principle is the same. Why should there be any difficulty to go beyond it ? No law has yet been pointed out about what the Honourable the Law Member says ; no authority has been yet quoted. However, as the Honourable the Law Member wants to have this point still cleared up, I have absolutely no objection to this Bill going for circulation.

Some Honourable Members : The question may now be put.

Mr. Amar Nath Dutt : I have nothing to say, Sir ; I accept the motion for circulation.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That the Bill to remove doubts about the application of the doctrine of representation, in case of succession to Stridhan under the Dayabhag, be circulated for the purpose of eliciting opinion thereon by the 1st December, 1933.”

The motion was adopted.

THE AJMER-MERWARA JUVENILES SMOKING BILL.

Diwan Bahadur Harbilas Sarda (Ajmer-Merwara : General) : Sir, I beg to move :

“ That the Bill to prevent Juveniles from smoking Tobacco be taken into consideration.”

My Bill is only restricted to Ajmer-Merwara. It is word for word taken from the Central Provinces Juvenile Smoking Act and I understand that the sympathetic and respected head of my Local Government does not oppose this Bill. I, therefore, move.

Mr. President (The Honourable Sir Shanmukham Chetty) : Motion moved :

“ That the Bill to prevent Juveniles from smoking Tobacco be taken into consideration.”

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands) : Sir, my Honourable friend, the Mover, just said that the Bill which he now wants to be taken into consideration is based word for word upon the Central Provinces legislation. The House might like to know that the experience of the operation of this measure in the Central Provinces is not such as to create much enthusiasm in Government or in administrators regarding the success of this measure. At the same time, Sir, we do not wish to stand between my friend, who has shown so much sympathy for juveniles and the measure which he has brought forward, and I would, therefore, like to say that the Government propose to remain neutral in this matter.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That the Bill to prevent Juveniles from smoking Tobacco be taken into consideration.”

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadan Rural) : Sir, I should like to say.....

Mr. President (The Honourable Sir Shanmukham Chetty) : Does the Honourable Member wish to speak ?

Mr. Amar Nath Dutt : Yes, Sir. I do not know what the condition is in the area from which my friend, the Mover of this Bill, hails, but I know it for certain that in my own province small children of labourers who are generally below 14 or 16 do smoke and thereby refresh themselves by smoking. Sir, the question is whether such a law is necessary at all. I am told by a friend of mine who sits behind me that the Ayurvedic Shastras also approve of smoking. I appeal to my friend, Diwan Bahadur Harbilas Sarda, who has great reverence for the Shastras, to respect the Shastras.....

Mr. G. Morgan (Bengal : European) : Is there not a local Bengal Act for the prevention of juvenile smoking ? I think I remember it

Mr. Amar Nath Dutt : I don't think so. I have been at the bar for more than 30 years, and I have not come across even a single case at least in my own district under any such Act.

Mr. G. Morgan : Exactly not operating.

Mr. Amar Nath Dutt : My point was that my friend, before sponsoring this Bill, should have made himself sure that these boys, if they are prevented from smoking, will not take to something stronger than smoking, I mean the bottle. That is more dangerous than smoking. Sir, I am not for cigarette smoking. I would prefer the *hooka* and I would like to see people taking to it in preference to cigars or cigarettes. *Hooka* is available everywhere and it is very much cheaper. Even in Bengal, if I go to my Honourable friend, the Law Member's House, I shall get the *hooka* and not cigarettes which unfortunately is replacing the *hooka*. Formerly, we had only *hooka* and not cigarettes everywhere. But, as I said, I am not in favour of smoking cigarettes and cigars, but why prevent people from smoking *hooka*, unless this is very necessary. My friend, of course, knows the conditions in his own province, I mean the Ajmer-Merwara, and if he is sure that these people will not take to bottle, or if they have not already taken to it, I will leave it to his moral sense to see whether or not such a restriction, as he proposes, should be imposed. My friend talks so much about the freedom in every sphere of human activity. I appeal to him to see that bottles are not introduced in place of the *hooka* or other kind of smoking. If he associates the bottle also with tobacco, I have no objection, but my fear is that, if you stop juvenile smoking, they will take to something stronger, which is far more deleterious. With these words, Sir. I oppose the Bill.

Mr. R. S. Sarma (Nominated Non-Official) : Sir, I move that the question be now put.

Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) : I should like to say a few words on this motion. I am not a smoker. (*An Honourable Member* : "Question.") I must say that I abhor smoking, and I may further say that I have not been contaminated by this vice even though I have travelled throughout the world including America where smoking is so very prevalent. Sir, I support this Bill very heartily. I cannot understand why there should be any objection to making a law to prohibit

[Mr. Lalchand Navalrai.]

juvenile smoking. I would prefer that none should smoke, but if that is not possible, why not accept this legislation to prevent children from smoking? Sir, the smell that comes out of smoking is really very horrible. Therefore, I submit that if it is contended that, if smoking is stopped, boys will take to other more harmful things, such as liquor, the plain reply to all that is this, that it will be our duty to bring forward a Bill to stop people from drinking liquor which is also a vice for children. Sir, I support this Bill very strongly.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That the Bill to prevent Juveniles from smoking Tobacco be taken into consideration.”

The motion was adopted.

Clauses 2 to 5 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Diwan Bahadur Harbilas Sarda : Sir, I move that the Bill be passed.

The motion was adopted.

THE UNTOUCHABILITY ABOLITION BILL.

Rao Bahadur M. C. Rajah (Nominated Non-Official) : Sir, I beg to move.....

Pandit Satyendra Nath Sen (Presidency Division : Non-Muhamadan Rural) : Sir, I rise to a point of order.

Rao Bahadur M. C. Rajah : What is the point of order? I have not said anything yet.

Pandit Satyendra Nath Sen : I rise to a point of order, Sir.

Mr. President (The Honourable Sir Shanmukham Chetty) : What is the point of order?

Pandit Satyendra Nath Sen : Sir, I beg to submit that this Bill for the abolition of untouchability among the Hindus is *ultra vires* of this Legislature. I take my stand on the notification of the Government of India under section..

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhamadan Rural) : Nothing has been moved so far. The point of order is premature.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions : Muhammadan Rural) : Sir, now can the Honourable Member raise a point of order at this stage? The Honourable the Mover has not said anything so far.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair understands that Pandit Satyendra Nath Sen wants to raise a point of order that the Bill is *ultra vires* of this Legislature; is that so?

Pandit Satyendra Nath Sen : Yes, Sir.

Mr. President (The Honourable Sir Shanmukham Chetty) : Let the Honourable Member, Mr. M. C. Rajah, move his motion first.

Rao Bahadur M. C. Rajah : Sir, I beg to move :

“ That the Bill to provide for the abolition of untouchability among the Hindus, be referred to a Select Committee consisting of the Honourable the Law Member, the Honourable Sir Harry Haig, Diwan Bahadur Harbilas Sarda, Mr. C. S. Ranga Iyer, Mr. Gaya Prasad Singh, Mr. T. N. Ramakrishna Reddy, Mr. S. C. Mitra, Mr. B. V. Jadhav, Mr. B. Rajaram Pandian, Captain Rao Bahadur Chaudhri Lal Chand, Rai Bahadur Kunwar Raghubir Singh, Rao Bahadur S. R. Pandit, Mr. R. S. Sarma and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

Sir, in so doing, I appeal to Honourable Members unanimously to co-operate in facilitating the progress.....

Pandit Satyendra Nath Sen : Sir, I rise to a point of order.

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. Let the Honourable Member finish.

Rao Bahadur M. C. Rajah : I appeal to Honourable Members unanimously to co-operate in facilitating the progress of this belated effort to do justice to the Depressed Classes. If I enter into an analysis of the acts of omission and commission on the part of my fellow Hindus that have produced the degradation to which my community is condemned and brought about the shame and humiliation of Hinduism itself before the world, it will take hours. I do not want to embitter feelings by recapitulating the past when I see that a great and welcome change has come over the Hindu mind as a whole. This Bill is based upon the principle that the law of no civilized country can recognise or give its support and assistance to an anti-social usage opposed to humanity as well as national interests.....

Pandit Satyendra Nath Sen : What is the procedure followed here, Sir ?

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. The Honourable Member can raise his point of order after the Honourable Mr. Rajah has finished. He will not lose his right.

Rao Bahadur M. C. Rajah : That an inequity is old is no reason for a day's further delay in redress, but for greater speed in penitence and restitution. Such a measure, we expected, would be taken up by Government with alacrity seeing how much popular support has been wholeheartedly given to it, and how earnestly popular organisations plead for its enactment. I am inclined to press for a Select Committee, if not enactment of the measure in this Session itself, it being a non-controversial and belated recognition of a well-known principle of Jurisprudence as well as the barest negative justice to the oppressed Community that I represent. But as some Members desire circulation, I have no objection if the House desires to do so. I hope the Bill will in time receive support from all, and set right an intolerable wrong in the administration of the laws of our country.

Sir, the cause of the Depressed Classes combines in it the best of religion, the best of humanity and the best of nationalism. It is a cause worthy of the best energies and the most strenuous efforts of a large number of Indians who believe “ life is a mission and duty its highest law ”, and the best fulfilment of that duty lies in the service of uplifting of those whom human tyranny and prejudice have practically put out

[Rao Bahadur M. C. Rajah.]

of the pale of humanity. No sin is greater than that of attempting to keep human beings in a state of perpetual bondage. It is infamous beyond measure and galling to the very soul of men, to deliberately and persistently keep a section of the people—God's own children—and removing them by brute force or by religious and social duplicity to the level of beasts.

The vision of the future from the heights of legislation discloses the Hindu Race so rich in culture and philosophy, united and inseparable for all time with no more dividing walls between the two great sections of caste and no-caste.

Pandit Satyendra Nath Sen : Sir, I beg to submit that this Bill is *ultra vires* of this Legislature. As I said, I take my stand on the notification of the Government of India published in 1857 during the régime of Lord Canning and on the Queen's Proclamation of 1858. I would only read out one sentence from each of these in order to remind Honourable Members of the contents of those documents. The Notification says :

“ He emphatically proclaims that the Government of India entertains no desire to interfere with their religion or caste..... ”

And the Queen's Proclamation says :

“ We do strictly charge and enjoin all those who may be in authority under Us that they abstain from all interference with religious beliefs and worship of Our Subjects on pain of Our highest displeasure.”

This Bill, which is intended for the abolition of untouchability which is sanctioned by the Shastras as well as by customs, does interfere with our religion and caste. It does not require any eloquence to prove that it does interfere with our religion. I would draw the attention of Honourable Members to the implication and effect....

An Honourable Member : Is he making a speech ?

Mr. President (The Honourable Sir Shanmukham Chetty) : The powers of this Legislature are defined in the Government of India Act and not in the Queen's Proclamation, and if Honourable Members want to draw the attention of the Chair to the fact that, a certain Bill is *ultra vires* of the Indian Legislature, they must draw attention to the relevant portion of the Government of India Act in the first instance. The Chair would, therefore, ask the Honourable Member first to draw its attention to the section of the Government of India Act on which he relies.

Pandit Satyendra Nath Sen : Apart from this Notification and Proclamation, I rely on the Government of India Act,—last paragraph of sub-clause (2) of section 65, which runs as follows :

“ The Indian Legislature has not power to make any law affecting the authority of Parliament, or any part of the unwritten laws or constitution of the United Kingdom of Great Britain and Ireland whereon may depend in any degree the allegiance of any person to the Crown of the United Kingdom..... ”

It is a well known fact that orthodox Hindus owe their allegiance substantially on the ground that their religion and caste would be protected by the Crown. That is my ground.

Mr. President (The Honourable Sir Shanmukham Chetty) : The relevant portion of section 65 to which the Honourable gentleman has

drawn the attention of the Chair does not apply in this present case, because the section clearly says that this Legislature has not power—

“ to make any law affecting the authority of Parliament, or any part of the unwritten laws or constitution of the United Kingdom of Great Britain and Ireland whereon may depend in any degree the allegiance of any person to the Crown of the United Kingdom ”.

If the Honourable gentleman wants to take shelter under the provision relating to allegiance to the Crown he must point out that this Bill contravenes some law or constitution of the United Kingdom of Great Britain and Ireland on which depends the allegiance to the Crown. The Queen's Proclamation is not a part of the written or unwritten law of Great Britain and Ireland and, therefore, it is not covered by the section to which the Honourable Member has drawn the attention of the Chair. Therefore, the Chair holds that this Bill is quite *intra vires* of this Legislature.

Motion moved :

“ That the Bill to provide for the abolition of untouchability among the Hindus, be referred to a Select Committee consisting of the Honourable the Law Member, the Honourable Sir Harry Haig, Diwan Bahadur Harbilas Sarda, Mr. C. S. Ranga Iyer, Mr. Gaya Prasad Singh, Mr. T. N. Ramakrishna Reddy, Mr. S. C. Mitra, Mr. B. V. Jadhav, Mr. B. Rajaram Pandian, Captain Rao Bahadur Chaudhri Lal Chand, Rai Bahadur Kunwar Baghubir Singh, Rao Bahadur S. R. Pandit, Mr. R. S. Sarma and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

The Chair is not sure whether it would be possible for the House to finish consideration of this motion today.

Mr. R. S. Sarma (Nominated Non-Official) : Mr. President, I move :

“ That the Bill be circulated for the purpose of eliciting opinion thereon by the end of June, 1934.”

I do not think the House expects a speech in support of this amendment of mine at the fag end of the day. I understand, the Honourable the Mover is willing to accept this motion for circulation, and I think that 30th June, 1934, is suitable for all parties concerned in this matter.

Mr. President (The Honourable Sir Shanmukham Chetty) : Amendment moved :

“ That the Bill be circulated for the purpose of eliciting opinion thereon by the end of June, 1934.”

Pandit Satyendra Nath Sen : Sir, I gave notice of a motion for circulation, but I am going to oppose the main motion. Am I entitled to this ?

Mr. President (The Honourable Sir Shanmukham Chetty) : Is not the Honourable Member moving his own amendment ?

Pandit Satyendra Nath Sen : I am not prepared to move my amendment. I am opposing the Bill. Honourable Members will remember that I moved a motion for circulation of the previous Bill, namely, the Temple Entry Bill. There my language was that the Bill be circulated amongst the temple going Hindus only, but it was objected to by the Honourable the Home Member on the ground of practical difficulties. I, therefore, gave notice of a motion that this Bill be circulated amongst Hindus only. I now understand that the motion will not be accepted, because my Honourable friend, Mr. Sarma, has preceded me and in all probability his

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motion will be accepted. I, therefore feel inclined to oppose the motion and that for two reasons at least, because the Government are inclined to go back upon the assurance which they have repeatedly given us and because this Bill is much more wide than the previous Bill and, therefore, much more obnoxious. At the very outset I may inform Honourable Members that the Bill is misconceived. In the Preamble it is stated "Whereas it is increasingly felt by the Hindu community". I say that the reformers who are the sponsors of these Bills are no representatives of the Hindu community. They form not more than five per cent. of the entire Hindu community. It is only some of the English educated people who can sponsor Bills like this and, as this Bill is wider, it will include the Temple Entry Bill also. Not only that, it will create other difficulties. For example, when a caste Hindu is making his worship or eating his meals, an untouchable may touch him and there is no remedy against him to be obtained by the caste Hindu, because clause 2 states :

"Notwithstanding anything contained in any existing enactment, regulation or order and notwithstanding any custom or usage or interpretation of law, no penalty, disadvantage or disability shall be imposed upon, or any discrimination made or recognised against any subject of the State on the ground that such person belongs to an untouchable caste or class among Hindus and no civil or criminal Court shall recognise any custom of untouchability or base its adjudication on such a custom."

We have a remedy against caste Shudras, but we have no remedy against an untouchable. Why this preferential treatment? This will give rise to anomalies. When I am worshipping, if I am disturbed by a caste Shudra or an outcasted Hindu, I have a remedy against him, but not against an untouchable. I can sue the caste Shudra or the outcasted Hindu in a law Court, but not an untouchable. Why this differential treatment? It is for this reason that I propose to oppose this Bill. But as I am sure that the motion for circulation will be passed, I will request the Honourable the Home Member to see that the Bill is not circulated in the ordinary manner, but is circulated "specially among the recognised religious institutions and associations of the community whose religion is sought to be affected by these Bills". I take this language from the reply given by His Excellency the Viceroy to the deputation, that waited upon him, of the All-India Varnashrama Sangha, and there were other assurances also. I may refer to the Government communiqué from which I quoted and which the Honourable the Home Member also quoted on the last occasion. It is not at all an unreasonable request, because Mr. Gandhi is also of the same opinion. In reply to a communication addressed to him, Mr. Gandhi sent the following letter :

"I am quite convinced, however, that the interference from non-Hindus cannot be tolerated in a matter which is purely a religious issue and which is one essentially for the Hindus to settle among themselves."

Sir, this is another Bill to which His Excellency the Viceroy has accorded his sanction. I beg most respectfully to submit that we expected from His Excellency otherwise, because in reply to a deputation of the Marwarj Association, His Excellency....

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. The Honourable Member cannot criticise the action of His Excellency here.

Pandit Satyendra Nath Sen : Sir, the Bill is before us. Am I not entitled to express my views regarding the sanction? I am not criticising his conduct.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member cannot criticise the action of the Viceroy on the floor of this House.

Pandit Satyendra Nath Sen : This Bill, like similar other Bills, is overdue in this Legislature, overdue not in the sense that they are at all proper, but that they are inevitable. Let me explain my point further. There is a set of English politicians who, since some years past, have been trying to kill the Brahminical culture which has maintained a peculiar sort of independence in spite of political subjugation. These politicians cannot endure this sort of independence on the part of Indians. The reformers are so many tools in their hands in achieving their end. These reformers, owing to their vicious culture, play into their hands for two reasons. By their culture they are always inclined to imitate the western ideals in words, thoughts and deeds, and secondly, being unable to make any headway in the matter of political reforms, they want to exhaust their energy in some other direction and, finding an easy outlet in religious matters, they want to fall upon the innocent Hindus in conformity with the principle contained in the Bengali adage that one who cannot make an impression outside comes home and beats his own wife.

Sir, as I have said, these reformers are not the representatives of the Hindus and they have no claim to speak in the name of the Hindu community. It is argued that we should accept this Bill on the ground of common sense. I said on a previous occasion that common sense is a thing which is as unstable as unsafe and I gave an illustration then. One other illustration comes to my mind on the present occasion. Mr. Gandhi says that image worship is not a sin, rather it is necessary. But another leader, who hails from Bengal, Dr. Robindra Nath Tagore, has clearly declared that image worship is a sin. Now, whom to follow in this crisis ?

Mr. D. K. Lahiri Chaudhury (Bengal : Landholders) : Do you worship an image ?

Pandit Satyendra Nath Sen : I do, although not in the sense in which they take it.

Sir Abdulla-al-Mámün Suhrawardy (Burdwan and Presidency Divisions : Muhammadan Rural) : But Robindra Nath Tagore is a Brahmo.

Pandit Satyendra Nath Sen : But they are our leaders. Even Mr. Gandhi is not a Hindu in the literal sense of the term. Then, it is said that we should accept the principle of this Bill on the ground of humanity. Is there any prescribed standard of humanity ? Is there any border line of humanity which says that we should come up thus far and no further ? There would be other people who would, on the same ground of humanity, insist on going further. They would insist on inter-dining and inter-marriage as well as some of them have been actually doing. I want to show that these things are unstable and unsafe. All this fuss has been created by these reformers. This Bill is not even supported by the generality of the untouchables.

Mr. N. M. Joshi (Nominated Non-Official) : Who told you that ?

Pandit Satyendra Nath Sen : I can cite instances to that effect. On the last Harijan Day, the local leaders of Cuttack wanted to drag the untouchables into Kali's temple, but they refused to listen to them. I will cite one other instance which was reported in the *Ananda Bazar*

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Patrika which is an organ of the reformers. At Contai, which is a subdivision of the Midnapore district, when the reformers asked the untouchables to transgress their usual rights, they were beaten by them with broom-sticks. That is not my own invention ; it was reported in the *Ananda Bazar Patrika* which is a paper in support of these reformers. So, I beg to submit that in cases where common sense differs and where there is a difference of views, Shastras should be our only guide. If you do not abide by this dictum, you are quite at liberty to preach another religion as was done by the late Raja Ram Mohan Roy or the late Swami Dayanand. You cannot be allowed to take your seat on the broad breast of religion and society and commit outrage on them. Sir, that being so, I should ask the Hindus to abide by the Shastras only. Now, what do these Shastras tell us ? Honourable Members will remember the history of the origin of these untouchables which I gave them on the last occasion. In one short sentence I will remind them again of it.

Honourable Members : We remember all your speeches.

Pandit Satyendra Nath Sen : Sir, these untouchables owe their origin to serious violations of marital laws. Manu says that we should have no intimate dealings with these people. Samvartta and Atri are also of the same opinion. This is what they say :

“Chāndālam patitam sprishtvā shavam Antyajam eva cha

Udakyām sūtikām nārim savāsāh snānam acharet.”—Samvartta.

—If one touches a Chandala or a fallen man or a dead body or any other Antyaja or a woman, who is in menstruation, or a woman who has only recently delivered, he should take a bath.

Mr. B. V. Jadhav (Bombay Central Division : Non-Muhammadan Rural) : May I ask the learned Pandit whether he follows that *Shloka* ?

Pandit Satyendra Nath Sen : I do, and many other people do the same. It may be a news to my Honourable friend, because he knows nothing about the Hindu society, but this is a fact.

Mr. R. S. Sarma : May I ask a direction from you, Sir ? In view of the lateness of the hour, will you be pleased to direct that Pandit Sen's speech be taken as read and incorporated in the debates of the Assembly ?

Pandit Satyendra Nath Sen : How ? I beg to submit, Sir, that this is the only place where we can give full expression to our views, otherwise, outside this House we are even physically obstructed by the non-violent followers of Mr. Gandhi. I am sorry the Honourable the Law Member is not in his seat. He will bear me out when I say this, because he himself had some ugly experience at the hands of these so-called harbingers of democracy. That incident happened in Calcutta sometime ago. *Atri* says :

“Charmako rajako vainyo dhīvaro natakastathā

Etān sprishtvā dwijo mohāt āchāmet prayatopi san.

Etaih sprishhto dwijo nityam ekarātram ghritam pibet.”

Then, again :

“Yastu chohhāyām shwapākasya brāhmanastwadhigachchhati.

Sa cha snānam prakurvīta ghritam prāshya vishuddhati.”

—“If a Brahmin comes across even the shadow of a *Chandala*, he should perform a bath and drink *Ghee* for purification.”

Manu says :

“*Na taih samayam anwicchhet purusho dharmam ācharan.*

—A religious man should have no dealings with these untouchables.

It is argued by some of the reformers that these texts do not occur in the Vedas, but that they occur only in the Smritis. We resent this sort of argument. It only betrays their ignorance. It is not only the Vedas that are authorities on our Dharma, but the Smritis also are authorities. The text is :

“*Vedah smritih sadāchārah swasya cha priyam ātmanah
etat chaturveidham prāhuh sākshād dharmasya lakshanam.*”

The Vedas, the Smritis and good conduct and one's own complacence in matters of choice,—these are the authorities on Dharma. So the *Smriti* also is an authority on Dharma. However, to satisfy these captious critics, I will cite some texts from the Vedas which go to support that untouchability is recognised in the Vedas also. Honourable Members will remember the text I quoted the other day from the Chhandogya Upanishad which mentions the untouchables along with some of the lowest forms of creation as having their birth determined by their acts in their previous births.

An Honourable Member : Are Upanishads Vedas ?

Pandit Satyendra Nath Sen : The Upanishads are the essence of Vedas, they are Vedas *par excellence*. The Brihadaranyakopanishad also says :

“*Na janam iyāt, nāntam iyāt.*”

A caste Hindu should not go to an untouchable or visit his habitation. The Sukla Yajur Veda, Chapter 30, makes mention of the four castes as well as some of the untouchable castes, namely : Dhevara, Kaivartta, Kirata, Nishada, and so forth.

It is not that these were later imaginations of the Smritikaras, but they do occur in the Vedas also. As a dissentient voice has been raised as to whether the Upanishads are the Vedas, I am prepared to cite some texts in order to satisfy these doubting friends. The Shukla Yajur Veda Samhita says :

“*Shundhadhwam devayajyāyai yad vah ashuddhāh parājaghna.*”

This is addressed to the sacrificial implements made of wood. They are told, “get yourselves purified by this sprinkling as you were made by unholy persons”—evidently referring to the carpenters, and so forth. Sir, I may inform my Honourable friends that it will be news to some of them and I invite the special attention of my Honourable friend, Diwan Bahadur Sarda, that in commenting on these passages from the Shukla Yajur Veda even the late Swami Dayanand Saraswati gives a reason for this view. He says that the company of the untouchables is to be avoided, because their touch or their breath may pollute others. This is what he says in the Bhashya of the text. Sir, we have

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fallen on evil times. We, Hindus, do not believe in the Shastras and the Arya Samajists also do not believe in the sayings of their Guru, Swami Dayanand Saraswati. Everybody is anxious to be guided by his own common sense.

An Honourable Member : What a calamity !

Pandit Satyendra Nath Sen : It is certainly a calamity. It should be remembered that ceremonial cleanliness is primarily a matter to be discussed in the Smriti works and not in the Vedas. Mr. Gandhi was very right when he said on the 4th November that "Sanatan Dharma is the vital faith based upon the Vedas and writings that followed them". By the expression "writings that followed them", Mr. Gandhi evidently meant Smritis. Just two months later, on the 4th January, he shifted his position. He gave a different definition of Sanatan Dharma. He says that "Sanatan Dharma is good conduct which people can reach". Every intelligent person can see that this definition makes a lot of difference. If this definition is to be accepted, I do not see any difference between Sanatan Dharma and any other Dharma. Every Dharma will accept the principle that Dharma is good conduct which people can reach. So if we are to accept this definition given by Mr. Gandhi later on, I say that all distinction between Sanatan Dharma and all other Dharmas ceases to exist.

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : May I appeal to the Honourable Member that, after a long day, he should allow us to take advantage of the open air on this beautiful day.

Pandit Satyendra Nath-Sen : I am sorry I cannot oblige my Honourable friend. This is a vital thing. If the Honourable Member wishes to leave the House, he can do so with the leave of the Honourable the President.

Mr. A. Hoon (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : I wish to refer to one thing as mentioned by my Honourable friend in his address which has set me shivering this afternoon. The Honourable Member has said that if the shadow of an untouchable falls upon a Hindu, he should take a bath immediately. Ever since he said that, I have been shivering, because I am wondering whether it should be a cold bath or a hot bath.

Pandit Satyendra Nath Sen : Cold bath for us, and hot bath for reformers.

Mr. B. V. Jadhav : May I know from the Honourable Member whether, as he daily comes near my Honourable friend, Mr. Rajah, he ever takes a bath ?

Pandit Satyendra Nath Sen : There are substitutes for baths also.

An Honourable Member : What are those substitutes ?

Pandit Satyendra Nath Sen : You complain that you are tired and you want to go home and, yet, you want further elucidation upon this point.

Mr. President (The Honourable Sir Shanmukham Chetty) : How long does the Honourable Member propose to take ? As this is the last

day for non-official Bills, the Chair would certainly have no objection to sit a little late, if it is the general desire of the House to finish the business now before the House. How long will the Honourable Member take to finish his speech ?

Several Honourable Members : No, we cannot sit.

Pandit Satyendra Nath Sen : I will take three-quarters of an hour more.

Mr. D. K. Lahiri Chaudhury : I want to speak on this motion. There are several other Members who also want to speak.

Mr. S. C. Sen (Bengal National Chamber of Commerce : Indian Commerce) : There is a meeting of the Select Committee called for for this evening.

Mr. President (The Honourable Sir Shanmukham Chetty) : Our usual practice is to adjourn at a quarter to five every day. The Chair understands that some important Select Committees have been summoned for this evening, and, on an important Bill of this nature which certain sections of the House consider to be very vital to them, the Chair cannot close the discussion without giving an opportunity to every section of thought to express itself. (Hear, hear.) If the Honourable Member, Pandit Sen, is going to take three-quarters of an hour more and if there are also other Honourable Members to speak on the motion, it would not be reasonable to expect the House to sit much longer. Therefore, we ought to adjourn the House just now.

The Assembly then adjourned till Eleven of the clock on Wednesday, the 6th September, 1933.

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LEGISLATIVE ASSEMBLY.

Wednesday, 6th September, 1933.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

RACIAL RESTRICTIONS AGAINST INDIANS TO BUY LAND IN KENYA.

656. ***Mr. Gaya Prasad Singh** : (a) Has the attention of Government been drawn to an article in the *Tanganyika Opinion*, dated the 3rd February, 1933, at page 5 under the heading "Sub-divisions of Plots in Highlands" ?

(b) Is it a fact that there exists in Kenya Highlands a racial restriction against Indians to buy land even for non-agricultural purposes, and that this restriction affects the Indian interests prejudicially ? What steps have Government taken in the matter ?

Mr. G. S. Bajpai : (a) Yes.

(b) So far as the Government of India are aware the restriction is intended to apply to agricultural land only. As the Honourable Member probably knows the matter has been referred to a Select Committee of the Kenya Legislative Council. Government have asked for a copy of the Committee's report and, after considering it, will take suitable action, if necessary.

Mr. N. M. Joshi : In view of the fact that Government recognise that the Kenya Government, with the approval of the British Government, impose racial discrimination and restrictions against Indians, may I ask whether they will represent to the British Government that the Government of India should have similar powers in the future constitution for imposing restrictions upon the subjects of those colonies where restrictions are imposed upon Indians ?

Mr. G. S. Bajpai : My Honourable friend asked a similar question the other day and I informed him that the Joint Select Committee of Parliament and His Majesty's Government are now seized of the matter.

Mr. N. M. Joshi : May I ask whether the Government of India have considered paragraph 122 of the White Paper ?

Mr. G. S. Bajpai : I am not in a position to answer whether they have considered paragraph 122 or not.

Mr. N. M. Joshi : May I ask whether they will consider that paragraph 122 from the point of view of the facts that have arisen out of this question ?

Mr. G. S. Bajpai : The Honourable Member's suggestion will be conveyed to the proper quarter, Sir.

(1003)

LEASES IN KENYA NATIVE RESERVES.

657. *Mr. Gaya Prasad Singh : (a) Has the attention of Government been drawn to an article in the *Tanganyika Opinion*, dated the 3rd February, 1933, at page 6 under the heading "Leases in Kenya Native Reserves" ?

(b) Is it a fact that leases of plots which have already been commercially developed by them, have been refused to Indian traders, and that in future there is a danger of that policy being more vigorously pursued ? If so, what steps have Government taken to safeguard the interests of the Indians ?

Mr. G. S. Bajpai : (a) and (b). Government have no information beyond what is contained in the newspaper report referred to by the Honourable Member and await the report of the Kenya Land Commission.

DISCRIMINATION AGAINST ASIATIC STAFF IN THE TANGANYIKA RAILWAYS.

658. *Mr. Gaya Prasad Singh : (a) Has the attention of Government been drawn to a leading article in the *Tanganyika Opinion*, dated the 10th February, 1933, at page 7 under the heading "Railway Methods", and also to another leading article in the *Tanganyika Opinion*, dated the 14th July, 1933, at page 8 under the heading "The Asiatic in Railways", relating to the severity with which discrimination against the Asiatic staff is practised in the Tanganyika Railways ?

(b) Will Government be pleased to state if they propose to take some steps to guarantee to the Indian staff on the Tanganyika Railways an equitable treatment as common subjects of His Majesty ?

(c) Has the attention of Government been drawn to a report in the *Tanganyika Opinion*, dated the 10th February, 1933, at page 12 under the heading "Mr. Gibb's Report on Railway Rates and Finance" ?

(d) Have Government received a copy of that report from the Colonial Office ? If so, have Government considered the recommendations made in the report and its effects on the Indian settlers in Tanganyika ? And if so, will Government be pleased to lay on the table of this House a statement showing the results of such consideration and examination, indicating how they affect the Indian settlers ?

Mr. G. S. Bajpai : (a) and (c). Yes.

(b) Government have made enquiries.

(d) Government have received and examined the report of Mr. Roger Gibb on railway rates and finance in Kenya, Uganda and Tanganyika Territory and propose to address the Secretary of State shortly. The Honourable Member will appreciate that while the matter is under correspondence with His Majesty's Government who are also awaiting the views of the Colonial Governments concerned, the Government of India cannot disclose the recommendations that they might make. A copy of the report has been placed in the Library.

Mr. Lalchand Navalrai : May I ask whether Indians are actually and, as a matter of fact, on the staff of the Tanganyika Railways ?

Mr. G. S. Bajpai : Yes, Sir ; Indians are on the staff of the Tanganyika Railways all right.

Mr. Lalchand Navalrai : Is it a large number, or only a few men have been taken ?

Mr. G. S. Bajpai : No, Sir. I said that the practice, so far as the railways in the whole of East Africa are concerned, for a long time, has been to recruit Indians for certain positions.

Mr. Gaya Prasad Singh : With regard to the answer to part (b) of my question, what is the result of the inquiries which Government say they have instituted ?

Mr. G. S. Bajpai : I have not yet had a reply from the Government of Tanganyika.

POSTAL UNION IN EAST AFRICA.

659. ***Mr. Gaya Prasad Singh :** (a) Has the attention of Government been drawn to the following :

- (i) a leading article in the *Tanganyika Opinion*, dated the 17th February, 1933, at page 4 under the heading "Postal Union in Action" ;
- (ii) a leading article in the *Tanganyika Opinion*, dated the 17th March, 1933, at page 9 under the heading "Postal Union in Limelight" ;
- (iii) a leading article in the *Tanganyika Opinion*, dated the 24th March, 1933, at page 2 under the heading "Postal Union in Limelight II" ;
- (iv) a leading article in the *Tanganyika Opinion*, dated the 28th April, 1933, at page 14 under the heading "Is It Mutual Agreement" ;
- (v) a leading article in the *Tanganyika Opinion*, dated the 26th May, 1933, at page 7 under the heading "Some Aspects of Postal Union in Action" ;
- (vi) a leading article in the *Tanganyika Opinion*, dated the 26th May, 1933, at page 10 under the heading "Postal Union Notions of False Economies" ;
- (vii) a leading article in the *Tanganyika Opinion*, dated the 26th May, 1933, at page 11 under the heading "Postal Union Agreement a Hocus" ?

(b) Are Government aware that the Postal Union of East Africa has not proved an economic measure, and has been responsible for seriously undermining the status and service conditions of the Indian staff in Tanganyika and more particularly the finances of Tanganyika ?

(c) If the reply to part (b) be in the affirmative, are Government prepared to take adequate steps in the matter to safeguard the interests of the Indians ?

Mr. G. S. Bajpai : (a) Yes.

(b) and (c). In reply to the Honourable Member's question No. 342, I stated on the 20th February that Government's main concern is to ensure that the amalgamation of postal services does not differentially affect Indian interests, mainly as regards the employment of Indians.

They have had no evidence of this so far but the Honourable Member may rest assured that they will watch the situation carefully with a view to safeguarding Indian interests.

AMELIORATION OF THE CONDITION OF INDIAN EDUCATION IN BRITISH GUIANA.

660. ***Mr. Gaya Prasad Singh :** (a) Has the attention of Government been drawn to a report published in the *Tanganyika Opinion*, dated the 10th March, 1933, at page 2 under the heading "Indians in British Guiana" ?

(b) Will Government be pleased to state what steps have been taken to ameliorate the condition of Indian education in that colony ?

Mr. G. S. Bajpai : (a) Yes.

(b) The question of educational reform in British Guiana was comprehensively reviewed by the British Guiana Commission who made important recommendations in the matter. The Government of India are not aware what action has been taken in regard to those recommendations but are making inquiries.

SAFEGUARDING THE LEGITIMATE INTERESTS OF INDIANS IN FIJI.

661. ***Mr. Gaya Prasad Singh :** (a) Has the attention of Government been drawn to the news items published in the *Tanganyika Opinion*, dated the 26th May, 1933, at page 13 under the heading "Indians in Fiji", and dated the 14th July, 1933, at page 3 under the heading "Fiji M. L. C. Resigns His Seat", relating to the serious state of affairs in Fiji about the status of Indians in that colony ?

(b) Will Government be pleased to state what steps have they so far taken to assist the Indian community of that colony to safeguard their legitimate interests ?

Mr. G. S. Bajpai : (a) Yes.

(b) I have nothing to add to the Government of India, Department of Education, Health and Lands Resolution, dated the 12th January, 1927, and to the reply given to part (e) of the Honourable Member's question No. 634 on the 22nd September, 1931, and the connected supplementaries.

MAIZE POOL SCHEME IN KENYA.

662. ***Mr. Gaya Prasad Singh :** (a) Has the attention of Government been drawn to an article published in the *Tanganyika Opinion*, dated the 16th June, 1933, at page 2 under the heading "Kenya Maize Pool Scheme" ?

(b) Are Government aware of the resolutions of the Federation of Indian Chambers of Commerce and Industry on the subject of the Maize Pool Scheme in Kenya and its dangers to the Indian interest ?

(c) What steps do Government propose to take in the matter to afford protection to the Indian interests in that colony ?

Mr. G. S. Bajpai : (a) Yes.

(b) Government have seen the resolutions.

(c) It is understood that the Maize Pool Scheme which was put forward by the Kenya Farmers' Association was referred to a Sub-Committee of the Board of Agriculture. The Sub-Committee has agreed that it cannot recommend the scheme.

AGITATION OF THE WHITE SETTLERS IN KENYA AGAINST INCOME-TAX.

663. *Mr. Gaya Prasad Singh : (a) Has the attention of Government been drawn to the leading article in the *Tanganyika Opinion*, dated the 23rd June, 1933, at page 2 under the heading "No More Income-tax" ?

(b) Are Government aware that the East African Indian community will be hard hit by the decision of the Secretary of State for Colonies to withdraw the income-tax proposals on account of the agitation of the white settlers in Kenya against income-tax ?

(c) Do Government propose to consider the question of making representations to the Imperial Government against the decision referred to above ?

Mr. G. S. Bajpai : (a) Yes.

(b) and (c). The scheme of taxation alternative to the income-tax was recommended by a Committee on which the Indian community had two representatives. It was agreed to by the Indian members, subject to a reservation by one of them in regard to the graduated male non-native poll-tax. The Secretary of State for the Colonies has suggested for consideration that the existing rate of this tax, which is 30s. per annum should remain unaltered for persons with yearly incomes not exceeding £100, and this is designed to meet the objection of the Indian representative, referred to, that a minimum rate of 40s, which increases the present poll-tax by one-third, will bear harshly on the poorer Indians. Since these proposals were published in Kenya, the Government of India have received no representations against them and have no reason, therefore, to suppose that their help is required.

AMELIORATION OF THE CONDITION OF INDIANS IN THE LAKE PROVINCE IN TANGANYIKA.

664. *Mr. Gaya Prasad Singh : (a) Has the attention of Government been drawn to a leading article in the *Tanganyika Opinion*, dated the 7th July, 1933, at page 6 under the heading "Misfortunes of the Lake Province" ?

(b) Are Government aware of the great amount of Indian interest in jeopardy in the Lake Province of the Tanganyika Territory, as a result of the Marketing (Amendment) Ordinance, 1932, of the Government of Tanganyika ?

(c) Do Government propose to consider the question of making necessary representations to the proper authorities for the amelioration of the Indian condition in that Province ?

Mr. G. S. Bajpai : (a), (b) and (c). Government have seen the article referred to by the Honourable Member. They have not received any representation on the subject from the Indian community in Tanganyika but are making inquiries as to what the exact position is.

Mr. Gaya Prasad Singh : Am I to understand that the result of that inquiry will be communicated to the House ?

Mr. G. S. Bajpai : It depends upon the importance of the result.

DEMAND OF WHITE SETTLERS FOR THE CONTROL OVER THE FINANCES OF KENYA.

665. ***Mr. Gaya Prasad Singh :** (a) Has the attention of Government been drawn :

- (i) to an article in the *Tanganyika Opinion*, dated the 28th July, 1933, at page 2 under the heading " Kenya Plunged into Political Controversies " ;
- (ii) to a leading article in the *Tanganyika Opinion*, dated the 28th July, 1933, at page 3 under the heading " Kenya Politics " ;
- (iii) to an article in the *Tanganyika Opinion*, dated the 28th July, 1933, at page 8 under the heading " Writing on the Wall—A Call to Tanganyika " ?

(b) Are Government aware of the text of the resolutions of the Executive Committee of the East African Indian National Congress as a sequel to the white settlers' demand for control over the finance of the Kenya colony, and of the unanimous opinion of the Indian press of Kenya opposing the demands of the Kenya whites ?

(c) Will Government be pleased to state what steps, if any, have been taken in the matter ?

Mr. G. S. Bajpai : (a) and (b). Yes.

(c) The attention of the Honourable Member is invited to the Press Note on the subject issued on the 11th August, 1933.

CONSTRUCTION OF A BRIDGE ON A CANAL BETWEEN MOGHALPURA AND LAHORE ON THE NORTH WESTERN RAILWAY.

666. ***Mr. Gaya Prasad Singh** (on behalf of Sardar Sant Singh) : Is it a fact that a bridge is being constructed on a canal on the North Western Railway line, between Moghalpura and Lahore station ? If so, will Government be pleased to furnish detailed information about the bridge on the following points :

- (i) width of the canal, (ii) date when the work was started, (iii) estimated cost, (iv) cost actually incurred, (v) date when the bridge is likely to be completed ?

Mr. P. R. Rau : The bridge in question is called the Bari Doab Canal bridge :

- (i) The width of the canal is 47 ft. but the Railway crosses it at an angle and so the length of the bridge is very much greater than the width of the canal.
- (ii) The work was started in March, 1933.
- (iii) The estimated cost is Rs. 1,55,000.
- (iv) The expenditure incurred to date is about Rs. 1,65,000 but credits amounting to about Rs. 40,000 will accrue on completion of the work.

(v) The bridge is expected to be completed within a month from now.

Mr. Lalchand Navalrai : May I know if new constructions are undertaken by the Railways nowadays ?

Mr. P. R. Rau : That hardly arises out of this question, but I can assure my Honourable friend that the question of new constructions is being carefully considered by Government as was explained in the Budget speech of the Honourable Member for Railways.

Mr. Lalchand Navalrai : With regard to this bridge, may I know whether it is a new construction or only repairs to an old bridge ?

Mr. P. R. Rau : I should like to have notice of that question.

Mr. B. V. Jadhav : In consideration of the fact that the rates of labour and material have fallen down, why should there be an excess over the estimates ?

Mr. P. R. Rau : The estimate was not exceeded, Sir.

Mr. Gaya Prasad Singh : The Honourable Member answered the question, but does he not know whether it is a new bridge or an old bridge that is being repaired ?

Mr. P. R. Rau : I have answered all the questions put on the paper. This was not on the paper and I am not aware as to what is happening on the North Western Railway.

Mr. Gaya Prasad Singh : My question is whether this bridge, of which mention is made in this question, is a new bridge or an old bridge which is repaired ?

Mr. P. R. Rau : If the Honourable Member will put down a question, I shall be glad to give him a reply.

Mr. Lalchand Navalrai : Does the Honourable Member get only half replies to these questions from the Agents of the Railways ?

Mr. P. R. Rau : I get full replies to all questions that are put down on the paper.

Mr. Lalchand Navalrai : There is a difference of opinion on that. But when the Honourable Member got information about the construction of this bridge, was he not informed whether it is a new bridge or an old bridge which is being repaired ?

Mr. P. R. Rau : I may point out that it is not a question of difference of opinion, but a question of fact. I have replied to every question that has been put on the paper.

Mr. Gaya Prasad Singh : The question was, if it is a fact that a bridge is being constructed on a canal on the North Western Railway line, between Moghalpura and Lahore station ?

Mr. P. R. Rau : And the answer is in the affirmative.

Mr. Gaya Prasad Singh : And the supplementary question was whether it is a new bridge which is being constructed or an old bridge which is being repaired.

Mr. P. R. Rau : For that I shall have to consult the North Western Railway and if my Honourable friend desires to have the information, he should put down a question on the paper.

Mr. Lalchand Navalrai : Does not the Honourable Member think that if it was an old bridge, which is being repaired, they would not have used the word "constructed", but they would have said "repaired"? In view of that, does not the Honourable Member think that this is a new construction?

Mr. P. R. Rau : That is a question of difference of opinion about the meaning of the word "constructed".

THREE DECIPHERABLE CURRENCY NOTES OF THE LAHORE CIRCLE.

667. ***Mr. Gaya Prasad Singh** (on behalf of Sardar Sant Singh) :
(a) Are Government aware that three notes of hundred rupees each of Lahore Circle (Currency Office) were sent to the Lahore Office by Messrs Khushiram Behari Lal through the Allahabad Bank, Limited, Lyallpur Branch, for being cashed? If so, with what result?

(b) Is it not a fact that the said notes were cut into two halves each by a cutting machine and when joined together numbers and letters were easily decipherable? If so, why do Government regard such notes as unidentifiable?

(c) Will Government be pleased to lay the rules on the table?

(d) Has the said firm of Messrs. Khushi Ram Behari Lal served Government with a notice of their claim, as prescribed by Section 80, C. P. C.? If so, have Government consulted their legal advisers? If so, with what result?

(e) Are Government aware that such acts of avoiding payment of these notes on technical grounds go to affect the credit of Government in the commercial world?

The Honourable Sir George Schuster : (a), (b) and (d). Government have no information regarding the case to which the Honourable Member refers.

(c) The Honourable Member will find a copy of the rules in the Library of this House.

(e) No.

MANAGEMENT OF THE HINDU REFRESHMENT ROOM AT LAHORE RAILWAY STATION.

668. ***Mr. Gaya Prasad Singh** (on behalf of Sardar Sant Singh) :
(a) Will Government be pleased to state since how long the Hindu Refreshment room at Lahore Railway station has been in existence?

(b) Who has been running the Hindu Refreshment room at Lahore Railway station during the last ten years?

(c) Who has been given the contract now and since when?

Mr. P. R. Rau : (a) About 30 years.

(b) S. Tara Singh, prior to December, 1925, and S. Prabh Singh from December, 1925 to 31st July, 1933.

(c) Mehta Bishan Dass from 1st August, 1933.

Mr. Lalchand Navalrai : May I know from the Honourable Member if he is prepared to advise the Agent to consult the advisory committee

when giving these contracts for refreshments ? Does it arise out of this question or not ?

Mr. P. R. Rau : Is that question addressed to me or to the President ?

Mr. Lalchand Navalrai : It is addressed to the Honourable Member.

Mr. P. R. Rau : May I know what is the question ?

Mr. Lalchand Navalrai : I hope my voice is loud enough to be heard even perhaps outside the House. Will the Honourable Member be pleased to advise the Agent that in giving contracts of this nature the advisory committee of the railway should be consulted ?

Mr. P. R. Rau : No. These are purely executive matters.

Mr. Lalchand Navalrai : I cannot understand the reply : whether it is an executive matter or any other, we are entitled to know from the Honourable Member whether he is going to give advice or not. I want an answer in a cool manner without putting on any air.

Mr. P. R. Rau : I have already given an answer to the Honourable Member. I said this was a purely executive matter and not the function of the advisory committee.

Mr. Lalchand Navalrai : Will the Honourable Member please tell me what are the duties of an advisory committee ?

Mr. P. R. Rau : I think the duties of the advisory committee are contained in a publication which is in the Library of the House.

Mr. Lalchand Navalrai : May I know whether the Honourable Member does not know them ?

Mr. P. R. Rau : They are rather long and I cannot burden my memory with the whole list of their duties.

Mr. Lalchand Navalrai : Yet, the Honourable Member says that this is not the business of the advisory committee : may I know from the Honourable Member if that is correct ?

Mr. P. R. Rau : I am really afraid I cannot understand my Honourable friend's question.

Mr. Lalchand Navalrai : I think I have made it very plain : I have asked whether the Honourable Member, without knowing the rules, knows that this is not a matter for the advisory committee ?

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. Question time ought to be utilised for eliciting information from Government and not to subject Members of Government to cross-examination.

Mr. Lalchand Navalrai : With all deference to your ruling, I submit that when questions are being answered in a manner which is absolutely not satisfactory, I think the only way of getting a reply is by cross-examination.

Mr. President (The Honourable Sir Shanmukham Chetty) : Next question.

Mr. P. R. Rau : Not unless a reply is asked for.

Mr. Lalchand Navalrai : Does the Honourable Member generally ask for a reply ?

Mr. P. R. Rau : No ; if the question is within the competence of the Agent to decide, I do not ask for a reply.

COMMUNAL COMPOSITION OF THE CLERICAL STAFF IN THE MILITARY GRASS AND DAIRY FARMS.

671. ***Mr. Gaya Prasad Singh** (on behalf of Sardar Sant Singh) : Will Government please state the total clerical strength of the Military Grass and Dairy Farms, and the number of Sikhs in each as compared to Muslims and Hindus ?

Mr. G. R. F. Tottenham : I place on the table a statement giving the information desired by the Honourable Member.

Statement showing the Communal Composition of the Clerical Staff in the Military Grass and Dairy Farms.

—	Sanctioned estab- lishment.	Actual.				Total
		Hindus.	Muslims	Sikhs.	Others.	
<i>Military Dairy Farms—</i>						
Clerks	93	76	10	5	2	93
<i>Military Grass Farms—</i>						
Clerks	116	77	30	4	5	116
Total ..	209	153	40	9	7	209

EXAMINATION FOR RECRUITMENT OF AUDITORS IN THE SUBORDINATE RAILWAY AUDIT SERVICE AND CLERKS IN THE OFFICES OF THE CHIEF AUDITORS AND STATE RAILWAYS.

672. ***Mr. Gaya Prasad Singh** (on behalf of Sardar Sant Singh) :
(a) Is it a fact that an All-India competitive examination was held by the Director of Railway Audit in February, 1930, for recruitment of Auditors in the Subordinate Railway Audit Service and of clerks in the offices of the Chief Auditors and State Railways ?

(b) Is it a fact that successful candidates were given jobs as Auditors and clerks ?

(c) Is it a fact that in the office of the Chief Auditor, North Western Railway, three of the successful candidates were posted as Auditors and three as clerks ?

(d) Is it a fact that these successful candidates were exempted from appearing in Part I examination and were to qualify themselves by appearing in Part II examination ?

(e) Is it a fact that when retrenchment was carried out two of the clerks thus appointed were brought under reduction ? If so, is it due to the orders of the Government of India to the effect that retrenchment should be carried on according to the length of service ? Was no distinction made on account of the qualifications of the persons retrenched ? Is it a fact that in future recruitment, the Railway Board had issued a circular that the retrenched men should be provided first ? If so, is it a fact that in March, 1933, four supernumeraries were created in North Western Railway and one in the Attached office ? If so, is it also a fact that one of these posts has been given to an outsider ? If so, why ?

(f) Do Government propose to issue instructions to the Chief Auditor, North Western Railway, to make further recruitment from amongst the retrenched hands, according to their departmental qualifications and seniority ?

The Honourable Sir George Schuster : The information has been called for and will be laid on the table in due course.

RETRENCHMENT OF INDIANS EMPLOYED IN THE OFFICE OF THE HIGH COMMISSIONER FOR INDIA.

673. ***Mr. S. C. Mitra** (on behalf of Mr. Bhuput Sing) : (a) Will Government be pleased to state the number of the Indians employed in the office of the High Commissioner for India in London ?

(b) Will Government be pleased to state whether a retrenchment committee was appointed in London to recommend retrenchment in the office of the High Commissioner for India in London ?

(c) If so, when was it appointed and by whom was it appointed ?

(d) Will Government be pleased to state the number of members appointed on the said committee and the number of Indians and Europeans separately appointed as members of the said committee ?

(e) Will Government be pleased to state how many I. C. S. and other Indian Imperial Service men retired or otherwise were appointed as members of the said committee ?

(f) Will Government be pleased to state the total number of men showing separately the number of officers and other subordinate staff working at present in the High Commissioner's office and their respective numbers before the said retrenchment committee was appointed ?

(g) Will Government be pleased to state separately the number of Indians employed as officers and other subordinate staff in the office of the High Commissioner's office before the retrenchment ?

(h) Will Government be pleased to state separately the number of Indians employed as officers and other subordinate staff in the High Commissioner's office after the retrenchment ?

(i) Will Government be pleased to state separately the number of Indians, officers and other subordinate staff, who have been retrenched by the retrenchment committee ?

The Honourable Sir Joseph Bhore : Information is being collected and will be furnished to the House in due course.

EMPLOYMENT OF INDIANS IN THE OFFICE OF THE HIGH COMMISSIONER FOR INDIA.

674. ***Mr. S. C. Mitra** (on behalf of Mr. Bhuput Singh) : (a) Will Government be pleased to state separately the number of Indians now unemployed in London and all other places of the United Kingdom taken together ?

(b) Is it a fact that out of a total number of 350 officers and subordinate staff employed in the High Commissioner's office before the last retrenchment, there were only 13 Indians employed in that office ?

(c) Is it a fact that out of the 13 Indians so employed, nine were retrenched as a result of recommendation of the last retrenchment committee appointed for the office of the High Commissioner for India in London ?

(d) Do Government propose to reserve all the posts in the High Commissioner's office for employment of Indians ?

(e) If not, will they be pleased to state the reasons ?

(f) Are Government aware that a large number of Indians well qualified in all branches of Engineering and other technical qualifications required for holding the posts of officers and possessing other subordinate ranks in the office of the High Commissioner for India in London, are always available there ? If not, have they ever enquired into the matter ? If not, why not ?

(g) Will Government be pleased to state whether the posts of officers, when vacant, are advertised by the High Commissioner's office before being filled up ? If not, why not ?

(h) Do Government propose to do so in future ? If not, why not ?

The Honourable Sir Joseph Bhore : The information is being collected as far as is possible and when complete will be laid on the table.

IMPORT OF COPPER SULPHATE INTO BRITISH INDIA.

675. ***Dr. F. X. DeSouza :** (a) Will Government be pleased to state (i) what quantities of copper sulphate were imported into British India during the last three years ; and (ii) what is the scale of customs duty levied on copper sulphate ?

(b) Are Government aware that 90 per cent. of the imported copper sulphate is used as a germicide for making up spraying mixtures and for other agricultural purposes ? If so, are Government prepared to see their way to remit the customs duty on copper sulphate used for agricultural purposes ?

The Honourable Sir Joseph Bhore :

				Cwts.
(a) (i)	1930-31	..	..	.. 18,110
	1931-32	..	..	.. 17,648
	1932-33	..	..	.. 22,739
(ii)	Standard	<u>Preferential.</u>		
		U. K. Colonies.		
	30 p.c.	20 p.c.	20 p.c.	
	<i>Ad val.</i>	<i>Ad val.</i>	<i>Ad val.</i>	

(b) Government are aware that imported copper sulphate is used for spraying purposes but they have no information as to the exact proportion of the imports so used. Representations urging the remission of the duty on copper sulphate have been received by Government, and they are receiving consideration.

Dr. F. X. DeSouza : If the facts are, as stated in the question, namely, 90 per cent. of the imported stuff is being used for agricultural purposes, and only 10 per cent. for industrial purposes, are Government in a position to state whether they will remit this customs duty on imported copper sulphate ?

The Honourable Sir Joseph Bhoré : I think if my Honourable friend had listened to the concluding portion of my reply, it would have been unnecessary for him to put me this question : I said that representations had been received and were under the consideration of Government.

Dr. F. X. DeSouza : I did listen carefully to the last part of the Honourable Member's answer : but I put a hypothetical case : if the facts stated by me are true, will Government remit the customs duty ?

The Honourable Sir Joseph Bhoré : On his own admission, my Honourable friend has put me a hypothetical question and I must decline to answer it.

Dr. F. X. DeSouza : Are Government aware that according to the report of the Director of Agriculture in Mysore, the use of copper sulphate is highly beneficial to agriculture, and that in many cases it raises the profit of agriculture by as much as Rs. 50 per acre ?

The Honourable Sir Joseph Bhoré : I am not aware of the report my Honourable friend refers to : but I have no reason to doubt that what is stated there is correct.

Dr. F. X. DeSouza : If that is so, will Government not take steps to remit this taxation considering it is a heavy duty against agriculture ?

The Honourable Sir Joseph Bhoré : I really cannot waste the time of the House further. I can only repeat what I have already said, that the matter is under consideration.

Mr. F. E. James : May I ask two supplementary questions ? The first is, are Government aware that copper sulphate is imported into other coffee-producing countries free of customs duty ? Secondly, in view of the fact that this matter has been before the Imperial Council of Agricultural Research for more than a year, will Government be pleased to expedite the consideration of the application made ?

The Honourable Sir Joseph Bhoré : It is a little difficult to answer two questions at the same time. As regards the first part of my Honourable friend's question, I am grateful for the information conveyed. As regards the second, I am afraid I am not responsible for the operations of the Imperial Council of Agricultural Research ; but I shall pass on my Honourable friend's question to the authorities concerned.

IMPORT OF RUBBER HOSE INTO BRITISH INDIA.

676. ***Dr. F. X. DeSouza :** (a) Will Government be pleased to state :

(i) what quantities of rubber hose were imported into British India during the last three years ; and

(ii) what is the customs duty levied thereon ?

(b) Are Government aware that about 80 per cent. of the imported article is used for spraying machines? If so, are Government prepared to consider the question of exempting this from customs duty?

The Honourable Sir Joseph Bore : (a) (i) Imports of rubber hose are not separately recorded in the Trade Accounts.

(ii) Ordinarily rubber hose is assessable to duty at 20 per cent. (preferential) and 30 per cent. (standard) *ad valorem* as manufactures of rubber not otherwise specified. When, however, it has been given some special shape or quality peculiar to its use as a component part of machinery, it is assessable at 10 per cent. *ad valorem*. If of canvas impregnated with rubber, it is assessable at 25 per cent. *ad valorem*.

(b) Government have no information as to the extent to which hose for spraying machines figures in the total imports. It is understood, however, that a large proportion of spraying machines are used for non-agricultural purposes. The latter part of the question does not arise.

Dr. F. X. DeSouza : Will Government inquire and find out what proportion of rubber hose which is imported is used for agricultural purposes as parts of Spraying Machinery?

The Honourable Sir Joseph Bore : I am afraid, Sir, it would be almost impossible to get accurate information on that point.

Mr. F. E. James : Arising out of that answer, would it not be possible for the new organization in regard to Statistical Research to obtain some figures from the agricultural interests concerned as to the amount, for example, of copper sulphate used for agricultural purposes and the amount of rubber hose used for agricultural purposes? If he cannot give an answer, I would suggest to the Honourable Member in charge that he should obtain this information from the interests concerned.

The Honourable Sir Joseph Bore : I cannot say straight off whether it is possible to get information along the lines suggested by my friend, but I will certainly pass on the suggestion that he has made to the proper quarters.

FREIGHT ON MANURES AND FERTILISERS ON THE MADRAS AND SOUTHERN MAHRATTA AND SOUTH INDIAN RAILWAYS.

677. ***Dr. F. X. DeSouza :** (a) Will Government be pleased to state what is the scale of railway freight per ton charged on manures and fertilisers on the Madras and Southern Mahratta and South Indian Railways?

(b) What is the freight charged on lime?

(c) Are Government aware that a considerable proportion of lime transported by railway is used for manurial purposes? If so, are Government prepared to direct the Railway authorities in the matter of assessing the freight to accept the certificate of firms of repute that a particular consignment of lime is intended to be used as a manure?

Mr. P. R. Rau : (a) and (b). I lay a statement on the table giving the required information.

(c) Government have no information as to the first part of the question, but I am sending a copy of the question to the Railway Administrations concerned so that the suggestion may be examined.

Statement showing the freight charged on Manures, etc., on certain Railways.

(a) On the Madras and Southern Mahratta and South Indian Railways manure is charged at the C/FF Schedule rate, i.e., at a flat rate of $\frac{1}{10}$ pie per maund per mile

(b) Lime is charged on the Madras and Southern Mahratta and South Indian Railways at the following rates :

Madras and Southern Mahratta Railway.—At the C/M Schedule, viz. :

Miles.							Pie per maund per mile.
1—75	..	..	..	..	..	..	·380
76—300	..	..	..	..	..	..	·200
301 & over	..	..	..	..	..	..	·100

Various station-to-station rates are also quoted for this commodity in local booking.
South Indian Railway :—

(i) When declared that the commodity is for manurial purposes for inland use only $\frac{1}{10}$ pie per maund per mile.

(ii) When used for other than manurial purposes—At C/N Schedule, i.e. :

Miles.							Pie per maund per mile.
1—75	..	..	..	..	..	..	·333
76—150	..	..	..	..	..	..	·200
151—300	..	..	..	..	..	..	·170
301—400	..	..	..	..	..	..	·125
401 & over	..	..	..	..	..	..	·100

REPRESENTATION OF THE TRAVELLING PUBLIC AT THE RAIL-ROAD CONFERENCE
HELD AT SIMLA.

678. *Mr. Rahimtoola M. Chinoy : (a) Will Government be pleased to state whether any delegate to represent the views of the travelling public was invited to the Road-Rail Conference held at Simla in April, 1933 ? If not, why not ?

(b) Are Government aware of the existence, in Bombay, of an organisation called the Passengers' and Traffic Relief Association which has been working for about 18 years past in the interests of the travelling public ?

(c) Will Government be pleased to state whether it is a fact that this organisation requested Government for its representation at the Conference to enable it to place the point of view of the travelling public before the Conference ?

(d) If the answer to part (c) be in the affirmative, will Government be pleased to state the reasons why such representation was not accorded to such an old institution ?

(e) Will Government be pleased to state what action, if any,

(i) they have taken so far,

(ii) they propose to take,

to give effect to the resolutions adopted at the Road-Rail Conference held in Simla in April, 1933 ?

The Honourable Sir Frank Noyce : (a) No delegate to represent the views of the travelling public was invited to the Road-Rail Conference. Government did not overlook the importance of the interests of the travelling public but did not find it possible to arrange for direct representation of those interests as they did not appear to be as yet sufficiently organised while such organisations as existed appeared to be upon a provincial or even more local basis. It is, I think, clear that there would have been great difficulty in selecting a delegate who would be fully representative of those interests for the purpose of a Conference of this nature. I would, however, point out that it was and is open to such interests to represent their views to Local Governments and that any representations they may make will be given the fullest consideration.

(b) and (c). The replies are in the affirmative.

(d) The reasons are given in the reply to part (a) of the question.

(e) Local Governments have been addressed in respect of the action to be taken on Resolutions Nos. 1—4 and 6 and 7, while Resolutions Nos. 5 and 8 are still under consideration by the Government of India.

Mr. Lalchand Navalrai : May I know, Sir, whether this Passengers' and Traffic Relief Association was consulted in these matters as a matter of course ?

The Honourable Sir Frank Noyce : No, Sir.

Mr. Lalchand Navalrai : Do the Government admit that this Association is in existence to look after the convenience of the travelling public and that they represent the views of the public ? Why are they not consulted then ?

The Honourable Sir Frank Noyce : I have explained in my reply that it is open to this Association to represent their views to the Local Governments, and those views will be given the fullest consideration.

Mr. Lalchand Navalrai : I was merely asking, why were they not consulted on this question beforehand ?

The Honourable Sir Frank Noyce : There seemed no necessity for such previous consultation in matters of this kind.

Mr. Lalchand Navalrai : What are the reasons for saying that there is no necessity ? The point is that this Association is in existence to look to the convenience of the passengers, and the Association knows the actual wants and difficulties of the travelling public, and, if it is consulted beforehand, I don't think there will be any harm done to any one.

The Honourable Sir Frank Noyce : I would point out to the Honourable Member that, in any case, the Conference is now over, and also that it was concerned with a specific issue, the competition of motors transport with railways. I am not very certain how the Passengers' and Traffic Relief Association would be in a position to offer any opinion of real value on that particular issue. On the question of railway amenities, I

admit that it might be desirable that they should be consulted, but that was not the issue with which the Conference was concerned.

Mr. N. M. Joshi : May I know, Sir, whether the passengers will not be affected in any way by the decisions of the Rail-Road Conference ?

The Honourable Sir Frank Noyce : That is obviously so, but in a very indirect manner.

Mr. Gaya Prasad Singh : Is this the only Association of its kind in this country ?

The Honourable Sir Frank Noyce : No, Sir ; I believe there is one in Madras and one in Sangli.

Mr. M. Maswood Ahmad : Question No. 679 has already been answered on a short notice question, Sir, and so I shall not put it.

REDUCTION IN THE INCOME OF THE COMMISSIONERS FOR THE PORT OF CALCUTTA.

680. ***Mr. Nabakumar Sing Dudhoria :** Will Government be pleased to state :

- (a) whether there has been recently an appreciable reduction in the income of the Commissioners for the Port of Calcutta due to decline of trade and other causes ;
- (b) whether the work of the Port Trust has not thereby decreased appreciably ;
- (c) if the reply to part (b) be in the affirmative, whether Government contemplate retrenchment in the Port Trust Office by discharging some officials who draw high salaries ;
- (d) if so, the names of such officials together with their designations and monthly salaries ;
- (e) the total income that the Port Trust of Calcutta earned during 1929-30, 1930-31 and 1931-32 ?

The Honourable Sir Joseph Bhore : Information is being called for and a complete reply will be laid on the table in due course.

AMOUNT SPENT BY THE CALCUTTA PORT TRUST ON THE PURCHASE OF MATERIALS IN INDIA.

681. ***Mr. Nabakumar Sing Dudhoria :** Will Government be pleased to state :

- (a) the amounts (to be shown year by year) that the Calcutta Port Trust has expended on the purchase of materials in India during 1929-30, 1930-31 and 1931-32 ;
- (b) the amounts that the Calcutta Port Trust has disbursed for payment to Messrs. Bird and Company, Calcutta, under the head 'Supply of Labour' during 1929-30, 1930-31 and 1931-32 ;
- (c) who were the chairman and the secretary, respectively, of the Port Commissioners when the labour contract was first given to Messrs. Bird and Company ?

The Honourable Sir Joseph Bhore : (a) The Honourable Member is presumably referring to the purchase of stores by the Calcutta Port Trust. If so, the figures are approximately as follows :

					Rs.
1929-30	..	..	..	..	34.46 lakhs.
1930-31	..	..	..	..	25.75 lakhs.
1931-32	..	..	..	..	15.80 lakhs.

These are exclusive of the value of stores and equipment purchased by the Engineering Department of the Port Trust, of which the figures are not available.

(b) The attention of the Honourable Member is invited to the reply given by me on the 1st September, 1933, to Mr. Gaya Prasad Singh's starred question No. 375.

(c) The information asked for is being obtained and will, when received, be laid on the table.

TECHNICAL APPRENTICES IN THE CALCUTTA PORT TRUST WORKSHOPS.

682. ***Mr. Nabakumar Sing Dudhoria :** Will Government be pleased to state :

- (a) the number of technical apprentices that the Calcutta Port Trust had in their Workshops in 1929-30, 1930-31, 1931-32 and 1932-33 ;
- (b) how many of such apprentices were (i) Indians, (ii) Anglo-Indians, (iii) Europeans ;
- (c) how many of the apprentices were taken from outside the Technical Institutions or the Engineering Colleges meant specially for specialised training ;
- (d) whether every facility and assistance was afforded to those apprentices to learn their work ;
- (e) whether the different departmental Heads have from time to time supervised the work of these technical apprentices and tested their practical knowledge ;
- (f) if so, the names of departmental Heads and the names of apprentices whose work was so supervised and knowledge tested ;
- (g) whether any of those technical students from outside has been absorbed in the service of the Port Trust ;
- (h) whether it is a fact that some non-Indian hands retrenched in one department have been appointed in another, either temporarily or permanently ?

The Honourable Sir Joseph Bhore : The information asked for is being obtained and will, when received, be laid on the table.

MEERUT CONSPIRACY CASE.

683. ***Mr. Nabakumar Sing Dudhoria :** Will Government be pleased to state :

- (a) the total amount that has been spent on prosecution in the Meerut Conspiracy Case from start to finish ;
- (b) the full duration (in years, months and days) of the trial in (i) the Lower Court, (ii) the High Court ;
- (c) the names of prosecuting Counsels who had the charge of the case during the different periods ;
- (d) the amounts that were received by each of them ;
- (e) the number of accused that were originally sent up for trial ;
- (f) how many of such accused dropped off (i) by death, (ii) by discharge or acquittal during the trial ;
- (g) (i) how many of them were sentenced, (ii) how many were acquitted at the end of the trial ;
- (h) the names of the accused who were sentenced, together with the nature of the sentence on such ;
- (i) the names of the accused who had their sentences reduced or modified or entirely removed on appeal by the High Court, together with the kind of sentence each received after its modification or reduction ;
- (j) the names of accused who have been acquitted by the High Court ;
- (k) whether their attention has been drawn to the criticisms that the *Manchester Guardian*, the *Daily Herald*, the *Morning Post*, and the *Observer* have expressed on the trial ;
- (l) whether their attention has been drawn to the leader of the *Statesman* of the 13th August last, regarding Law's Delays ;
- (m) if so, whether they contemplate altering the Criminal Procedure Code on the lines suggested by the *Statesman* ?

The Honourable Sir Harry Haig : (a) Rs. 18½ lakhs approximately.

(b) The trial in the Lower Court including the preliminary enquiry in the Magistrate's Court, lasted about 3½ years, i.e., from 12th June, 1929 to 14th January, 1933. The hearing of the appeal in the High Court was concluded in ten days.

(c) Two Counsels were employed on the case. These were originally the late Mr. J. Langford James and Mr. J. P. Mitter. On Mr. Langford James' death Mr. Kemp replaced him.

(d) The total expenditure on the fees, etc., paid to Counsels was approximately 13 lakhs. Separate figures are not readily available.

(e) to (j). I lay a statement on the table giving the information required.

(k) to (m). Government are aware of the criticisms on the length of the trial, on which the High Court has also commented. These comments will receive the careful attention of Government.

Statement giving particulars of the 31 accused in the Meerut Conspiracy Case who were committed for trial by the Additional District Magistrate, Meerut.

Serial No.	Name of accused.	Sentence awarded by the Sessions Judge.	Result of appeal to the High Court.	Remarks.
1	Muzaffar Ahmad	Transportation for life.	3 years' imprisonment.	
2	Sripad Amrit Dange ..	Transportation for 12 years.	Do.	
3	Philip Spratt	Do. ..	2 years' imprisonment.	
4	Sachhidanand Vishnu Ghate ..	Do. ..	1 year's imprisonment.	
5	Keshav Nilkanth Joglekar ..	Do. ..	Do.	
6	Raghunath Shivaram Nimbkar	Do. ..	Do.	
7	Benjamin Francis Bradley ..	Transportation for 10 years.	Do.	
8	Shanta Ram Suvlaram Mirajkar	Do. ..	Do.	
9	Shaukat Usmani	Do. ..	3 years' imprisonment.	
10	Sohan Singh Josh	Transportation for 7 years.	1 year's imprisonment.	
11	Mir Abdul Majid	Do. ..	Do.	
12	Dharami Kanta Goswami ..	Do. ..	Do.	
13	Ajodhya Prasad	Transportation for 5 years.	Period already undergone in jail.	
14	Gangadhar Adhikari	Do. ..	Do.	
15	Puran Chandra Joshi	Do. ..	Do.	
16	Motiram Gajanan Desai ..	Do. ..	Acquitted.	
17	Gopendra Chakravarty ..	4 years' rigorous imprisonment.	7 months' rigorous imprisonment.	
18	Gopal Chandra Basak	Do. ..	Period already undergone in jail.	
19	Hugh Lester Hutchinson ..	Do. ..	Acquitted.	
20	Radha Raman Mitra	Do. ..	Do.	
21	Shiavaksh Hormasji Jhabwala	Do. ..	Do.	
22	Kedar Nath Sehgal	Do. ..	Do.	
23	Shamsul Huda	3 years' rigorous imprisonment.	Period already undergone in jail.	
24	Arjun Atmaram Alve	Do. ..	Acquitted.	
25	Gobind Ramchandra Kasse ..	Do. ..	Do.	
26	Gauri Shankar	Do. ..	Do.	
27	Lakshman Rao Kadam <i>alias</i> Lakshmi Narain Kadam.	Do. ..	Do.	

Serial No.	Name of accused.	Sentence awarded by the Sessions Judge.	Result of appeal to the High Court.	Remarks.
28	Vishwa Nath Mukharji <i>alias</i> Biswanath Mukherjee.	Acquitted.		
29	Shib Nath Banerji	Do.		
30	Kishori Lal Ghosh	Do.		
31	Dhondi Raj Thengdi .. ..	.. ..	..	Died during the Session trial.

CONTINGENT ALLOWANCE SANCTIONED FOR CERTAIN POSTAL OFFICIALS.

684. *Khan Bahadur Haji Wajihuddin : Will Government be pleased to state :

- (a) whether a contingent allowance is sanctioned for Superintendents of Post Offices in India at a universal rate of Rs. 10 per month ;
- (b) whether the same formula is applied to first class head offices in sanctioning contingent allowance ; if not, why not ;
- (c) whether a first class Postmaster is required to do enquiry and inspection work, as done by the Superintendent of Post Offices ;
- (d) whether it is a fact that a contingent allowance at a universal rate of Rs. 3 is sanctioned for the Inspector of Post Offices in India ? If so, whether the same amount is also sanctioned for the Town Inspector of Post Offices attached to first class head offices ? If not, why not ;
- (e) if the replies to parts (b) and (d) be in the negative, the reasons for the differential treatment meted out to the first class Postmasters, and whether they are prepared to remove this grievance by introducing the same formula as is applied in the case of Divisional Superintendent of Post Offices ?

The Honourable Sir Frank Noyce : (a) The facts are not as stated by the Honourable Member. In offices of Superintendents of Post Offices in India the contingent allowance is fixed at rates ranging from Rs. 10 to Rs. 15 according to the number of clerks in each office.

(b) No. The contingent allowance of post offices including first class head offices is regulated according to the actual requirements of each office and at the discretion of the Head of the Postal Circle concerned.

(c) Yes, in respect of town sub and branch post offices under his control.

(d) A contingent allowance at Rs. 3 a month each is sanctioned generally for those Inspectors of Post Offices who are in charge of postal

sub-divisions on the ground that they have to maintain their own offices. Town Inspectors form part of the establishment of the head post offices to which they are attached and for which contingent allowances are sanctioned. The necessity for the grant to them of a separate contingent allowance does not, therefore, exist.

(e) The principles on which the contingent allowances of the offices of Superintendents of Post Offices in India and of first class post offices are fixed have been arrived at after taking into account the difference in the work performed. It would not be possible to devise a common formula suitable for both classes of offices.

Khan Bahadur Haji Wajihuddin : With regard to answer to part (a), may I ask what are the real facts ?

The Honourable Sir Frank Noyce : The real facts are as stated in my reply to the question as a whole.

SPECIAL PAY SANCTIONED FOR THE TOWN INSPECTORS OF POST OFFICES.

685. ***Khan Bahadur Haji Wajihuddin :** Will Government be pleased to state whether special pay at Rs. 30 and Rs. 20 is sanctioned for the Town Inspectors attached to first and second class head post offices, respectively ? If so, will Government be pleased to state whether the duties and responsibilities of the Town Inspectors attached to first class head offices are greater than the ones attached to the 2nd class head offices ? If so, in what respect, and if not, why is a different rate of pay sanctioned for the Town Inspectors attached to first class head offices ?

The Honourable Sir Frank Noyce : Replies to the first and second parts of the question are in the affirmative. As regards the last part, Town Inspectors attached to offices with a numerous delivery staff and required to perform their duties in large centres of population have greater responsibilities and more arduous conditions of duty than those working in less important places and attached to smaller offices.

SPECIAL PAY SANCTIONED FOR POST OFFICE ACCOUNTANTS.

686. ***Khan Bahadur Haji Wajihuddin :** Will Government be pleased to state the rate of special pay sanctioned for the Accountants of first and second class Head Post Offices ? If the rates are the same for these offices, are Government prepared to sanction the special pay for the Accountants attached to the first class head offices at Rs. 30 per mensem ?

The Honourable Sir Frank Noyce : Ordinary time-scale clerks of the Post Office who have passed the qualifying departmental examination for posts of Postal Accountants while actually holding the posts of Accountants or Assistant Accountants designated as such in Head Post Offices, either first class or second class, are entitled to draw special pay at Rs. 10 per mensem for those on pay below Rs. 70 and Rs. 15 per mensem for those on pay of Rs. 70 and above. For future incumbents the rate of special pay will be Rs. 10 per mensem for all. As regards the last portion of the question, Government do not propose to make any change in the existing arrangements.

DIFFERENTIAL TREATMENT IN SANCTIONING SPECIAL PAY FOR TOWN INSPECTORS AND ACCOUNTANTS OF POST OFFICES.

687. ***Khan Bahadur Haji Wajihuddin** : (a) Will Government be pleased to state whether it is necessary to pass any examination for appointment as (i) Town Inspectors, and (ii) Accountants ?

(b) If the reply regarding the Town Inspector's post is in the negative, and for the Accountants in the affirmative, will Government be pleased to state the reasons for this differential treatment in sanctioning the special pay for the appointments of the Town Inspectors and Accountants ?

(c) Will Government be pleased to state whether the responsibilities and duties of the Town Inspectors are greater than those of the Accountants attached to first class head offices ; if not, why the same rate of special pay is not sanctioned for the Accountants of the first class Head Offices ?

The Honourable Sir Frank Noyce : (a) The Honourable Member presumably refers to Town Inspectors and Accountants in the ordinary clerical time-scale of pay attached to Head Post Offices. The posts of Accountants are filled generally by officials who have passed a departmental examination, while no such examination is prescribed for posts of Town Inspectors.

(b) The special pay of Accountants and Town Inspectors has been sanctioned in consideration of the nature of the duties and responsibilities which they have to discharge.

(c) The duties and responsibilities of Accountants and Town Inspectors are entirely different and no comparison between them is possible.

Mr. Lalchand Navalrai : May I know from the Honourable Member if outsiders are directly taken for the post of Inspector or Accountant for the departmental examination ?

The Honourable Sir Frank Noyce : I am afraid I must ask for notice of that question. My acquaintance with these details is distinctly limited.

REVISION OF THE SCALE OF PAY OF ACCOUNTANTS ATTACHED TO CERTAIN POST OFFICES.

688. ***Khan Bahadur Haji Wajihuddin** : Will Government be pleased to state whether the Accountants sanctioned for the Divisional Engineering Telegraph offices are in the scale of Rs. 200—20—360 while the Accountants of first class head offices are on the time-scale of Rs. 45—145 with a small special allowance of Rs. 10 or Rs. 15 per mensem ? If so, will Government be pleased to state the reasons for this differential treatment and whether the duties and responsibilities of the Accountants attached to Divisional Engineering Telegraphs offices and Postal Audit offices are greater than those of the Accountants in first class Head Offices ; and if not, whether Government are prepared to consider the matter and revise the scales of pay of the Accountants attached to the first class Head Offices, so as to make them similar to that sanctioned for the Accountants in other Departments or Divisional Engineering Telegraph offices, or above the time-scale clerks of the Post offices ?

The Honourable Sir Frank Noyce : Accountants in the offices of Divisional Engineers, Telegraphs, draw pay on scales varying from Rs. 120—270 to Rs. 220—380, while in first class Head Post Offices, accountants are either in the selection grades on scales of pay of Rs. 160—250 and Rs. 250—350 or in the ordinary time-scale on scales of pay which vary, according to locality, from 35—135 to Rs. 70—170 *plus* the special pay referred to by the Honourable Member. The responsibilities of Accountants in the offices of Divisional Engineers are greater than those of Accountants in Head Post Offices, and the difference in the rates of pay correspond to this fact. The last part of the question does not arise.

EXAMINATION PAPERS OF THE POST OFFICE ACCOUNTANTS.

689. ***Khan Bahadur Haji Wajihuddin :** Will Government be pleased to state whether the examination papers of the Accountants are dealt with by the Audit office, while the Accountantship papers of the Superintendents of Post Offices and Inspectors and Head Clerks are dealt with by the departmental officers ? If so, are Government prepared to order the conduct of the papers of the Accountantship examination by departmental officers ?

The Honourable Sir Frank Noyce : It is the case that the examination papers of Post Office Accountants are dealt with by the Accounts Officers.

There is no Accountantship Examination for Superintendents, Inspectors and Superintendents' Head Clerks, but the papers set in the examinations which these officers have to pass contain questions relating to accounts : these papers are dealt with by the departmental officers.

The conditions of the different examinations have been prescribed with due regard to the particular requirements of the Department in each case and Government see no need to make the change suggested by the Honourable Member.

RETRENCHMENT IN THE UNITED PROVINCES POSTAL CIRCLE.

690. ***Khan Bahadur Haji Wajihuddin :** Is it a fact that the officials in the United Provinces Postal Circle, who have got 30 years' service, but are below 55 years of age, are retrenched while the selection grade officials and gazetted officers who have got more than 30 years' service are retained in the Department ? If so, do Government propose to retire the officials of the selection grade and gazetted posts who have 30 years or more service in order to create vacancies for abolition or conversion of the time-scale clerks in chain of arrangements ?

The Honourable Sir Frank Noyce : Government have no precise information but for the purposes of retrenchment, officials in the ordinary time-scale and in the selection grades are treated as in one category, while gazetted officers are treated as belonging to another category. Within a given category retrenchment is carried out by selection, and it is therefore possible that cases such as those alluded to by the Honourable Member may have occurred. Government are not however prepared to treat officials in the gazetted and non-gazetted cadres as of one category for purposes of retrenchment and therefore regret that they are unable to accept the Honourable Members's suggestion.

Mr. Lalchand Navalrai : May I know from the Honourable Member whether persons over 55 years of age or, who are 55 years of age, are yet retained in service and given extension ?

The Honourable Sir Frank Noyce : I rather think there is another question on the paper relating to that which will be answered later.

RETIREMENT OF OFFICIALS HAVING THIRTY YEARS' SERVICE IN POSTAL
CIRCLE OFFICES.

691. ***Khan Bahadur Haji Wajihuddin :** (a) Is it a fact that under his letter No. E.S.-227-1/32, dated 3rd September, 1932, the Director General, Posts and Telegraphs, has ordered, in order to obtain the full complement of Lower Division clerks, that it is not intended that indiscriminate retrenchment should be effected amongst the time-scale clerks, but that conversion of ordinary time-scale posts into posts in the Lower Division should be effected (i) gradually as vacancies occur in the former class in the ordinary course, (ii) by the acceptance of offers of voluntary retirement from the ordinary time-scale clerks, (iii) by the compulsory retirement of such of them whose record of service has been consistently unsatisfactory, and (iv) by the compulsory retirement under Fundamental Rule 56, i.e., on attaining 55 years of age ?

(b) Is it a fact that officials in the Circle office with 30 years or more service are allowed to continue to work while the Post office officials of the same service are retrenched ? If so, do Government propose to order retirement of the officials who have 30 years' service at their credit in Circle offices, and to provide the officials of the post offices in their places, resultant vacancies to be utilised for the conversion and abolition of the time-scale posts in the Post Offices ?

The Honourable Sir Frank Noyce : (a) The reply is in the affirmative.

(b) As regards the first part Government have no precise information. I may, however, state that as the Circle Office staff forms a cadre distinct from that of the Post Office and has accordingly been treated separately in carrying out retrenchments, it is possible that such cases as those alluded to by the Honourable Member may have occurred.

As regards the second part, Government are not prepared to treat the two different cadres as one for purposes of retrenchment as suggested by the Honourable Member.

GRANT OF COMPENSATORY ALLOWANCE TO TRAVELLING TICKET INSPECTORS
ON THE EAST INDIAN RAILWAY.

692. ***Khan Bahadur Haji Wajihuddin :** With reference to reply to question No. 488 (c), dated 25th February, 1933, in this House, will Government be pleased to state :

(a) whether the sanction of revised rates of allowances to the old Travelling Ticket Inspectors has compensated them in respect of Provident Fund, leave-salary and retiring gratuity, a loss which they incurred on the abolition of mileage allowance ;

(b) if not, whether they are prepared to consider the question of compensating the Travelling Ticket Inspectors for the loss

incurred by them on this account and which they are still continuing to suffer ?

Mr. P. R. Rau : I would refer the Honourable Member to the reply given to question No. 476, by Sardar Sant Singh on the 4th September, 1933.

CONSOLIDATED ALLOWANCE OF TRAVELLING TICKET INSPECTORS AND THEIR
DIVISIONAL INSPECTORS ON THE EAST INDIAN RAILWAY.

693. ***Khan Bahadur Haji Wajihuddin :** (a) Will Government be pleased to state why the revised rates of consolidated allowance have been denied to those Travelling Ticket Inspectors and their Divisional Inspectors who are working on station duty and as Inspectors and who, like their colleagues, now working as Travelling Ticket Examiners, drew a mileage allowance in their substantive capacity ?

(b) Is this not in contravention to the decision of the Railway Board as communicated in this House on 25th February, 1933 ?

(c) Are Government prepared to see that the orders of the Railway Board are carried out in respect of the staff mentioned in part (a) above ?

Mr. P. R. Rau : (a), (b) and (c). I am obtaining certain information and will lay a reply on the table in due course.

CONSOLIDATED ALLOWANCE OF TRAVELLING TICKET INSPECTORS AND THEIR
DIVISIONAL INSPECTORS ON THE EAST INDIAN RAILWAY.

694. ***Khan Bahadur Haji Wajihuddin :** (a) Will Government be pleased to state if it is a fact that the old Travelling Ticket Inspectors and their Divisional Inspectors' mileage allowance was replaced by consolidated allowance and travelling daily allowance from 1st June, 1931 ?

(b) Is it a fact that special rates of allowances have been sanctioned from 1st December, 1932, by way of compensation ?

(c) Has any consideration been made for the loss the said staff incurred between 1st June, 1931, and 1st December, 1932 ? If not, why not ?

(d) Are Government prepared to consider the necessity for compensating them for the period between 1st June, 1931, and 1st December, 1932 ?

Mr. P. R. Rau : (a) Yes.

(b), (c) and (d). As I have already explained, consolidated travelling allowances sanctioned from the 1st December, 1932, were purely *ex-gratia* and Government are not prepared to give retrospective effect to them.

EXPULSION OF CERTAIN CHETTIARS FROM INDO-CHINA.

695. ***Mr. Gaya Prasad Singh :** (a) Will Government be pleased to make a statement relating to the expulsion of Chettiars from Indo-China, indicating the latest development, if any, on the subject, particularly since the 1st June ?

(b) Is it not a fact that some Chettiars have been compelled to sign up with the Long Term Credit Office ? Are Government aware that this action is prejudicial to the interests of the Chettiars there ?

(c) Is it a fact that even the British Consul in Saigon has proposed that the co-operation of the French Administration should be invited in sending out a small Committee of Indians for local enquiry and individual settlement of all the Chettiar accounts with the Long Term Credit Office ?

(d) Do Government propose to open direct negotiations with Saigon, for speedier settlement of this question, in the same manner in which they did with the Union of South Africa in 1925 ?

(e) Is it a fact that some Chettiars have sent up a petition to the Governor General of Indo-China requesting him to intervene ?

Mr. B. J. Glancy : (a) As a result of the representations made by His Majesty's Government on behalf of the Government of India, the Governor General of Indo-China has rescinded the expulsion orders issued against two of the Indian bankers who had not yet left the country. (Cheers.) Negotiations between the Government of Indo-China and the Indian bankers are continuing and it is hoped that they will result in an amicable arrangement. The latest reports from Saigon indicate that the French authorities while unwilling for the present to rescind the expulsion orders passed against the four Chettiars who have actually been deported are prepared to allow them to return to Cochin China on safe conduct and to resume their business.

(b) Government understand that the Chettiars have accepted the cancellation of a portion of their loans which were demanded of them and have also declared that they are disposed to adopt in other questions of litigation the same attitude as European Bankers and financiers. Government have no further information.

(c) Government have no information.

(d) Since the negotiation in progress have already been largely successful in achieving their object, Government do not propose to adopt any other course than that so far followed.

(e) Government have no information.

Mr. Gaya Prasad Singh : With regard to part (c) of the question, have the Government of India been in communication with the British Consul at Saigon with regard to the statement which is referred to in that part of the question ?

Mr. B. J. Glancy : Government have received no further information either from the British Consul in Saigon or from any one else on the subject.

Mr. Gaya Prasad Singh : Have the Government of India written to the British Consul in Saigon in order to obtain the information which is contained in part (b) of the question ?

Mr. B. J. Glancy : Government have not put forward any suggestion that a small committee of Indians should go out, because this is a delicate matter. It is a question of dealing with a foreign Government, and although Government have got every sympathy with the Chettiars and are trying to do what they can to assist them, they have to be careful in what they do.

Mr. Gaya Prasad Singh : Have the Government of India enquired from the British Consul in Saigon whether he has actually made a proposal that a small committee should visit ?

Mr. B. J. Glancy : Not as far as I am aware.

Mr. F. E. James : Is it a fact that two of the four Chettiars, who were originally expelled under the French Government's expulsion order, have, in fact, returned to Saigon under safe conduct ?

Mr. B. J. Glancy : Government have no information on that point.

Mr. F. E. James : Are Government aware of the widespread apprehension that the continued existence of the expulsion order against the four Chettiars is being used by the Government of Indo-China as a weapon with which to enforce discriminatory terms against the settled Chettiar community there ?

Mr. B. J. Glancy : No.

Mr. F. E. James : Will Government continue to request His Majesty's Government to represent to the French Government that the expulsion order against the four Chettiars should be promptly rescinded as being discriminatory and unjustified and that its withdrawal should not be dependent upon the settlement of the debt question ?

Mr. B. J. Glancy : Yes. Government will continue to do all they can.

TRANSFER OF THE CONTROL OF THE BADRINATH TEMPLE TO THE RULER OF THE TEHRI ESTATE.

696. ***Mr. Gaya Prasad Singh :** Will Government be pleased to state if the question of the proposed transfer of Badri Nath Temple, in the District of Garhwal (United Provinces) has yet come up before them ? If so, has any decision been arrived at ? What is the recommendation, if any, of the United Provinces Government on the subject ?

Mr. B. J. Glancy : I would refer the Honourable Member to the answer given on the 22nd August, 1933, to unstarred question No. 2, on the same subject.

Pandit Satyendra Nath Sen : Are Government aware that the orthodox opinion is against the proposed transfer ?

Mr. B. J. Glancy : The views that have been expressed have already been passed on to the Government of the United Provinces under whose consideration the matter now is.

Pandit Satyendra Nath Sen : May I know whether this proposal first came from the U. P. Government or from the Tehri Durbar ?

Mr. B. J. Glancy : I regret I have no information on that point.

Mr. Lalchand Navalrai : May I know whether the pilgrims or those interested in this temple have made representation one way or the other ?

Mr. B. J. Glancy : I have seen no representation, but it is possible they may have made one to the Government of the United Provinces.

Mr. Gaya Prasad Singh : Do I take it that the question has not yet come up before the Government ?

Mr. B. J. Glancy : No, Sir. Government will not consider until they have received the views of the Government of the United Provinces.

Pandit Satyendra Nath Sen : May I know when this question will be finally settled by the U. P. Government ?

Mr. B. J. Glancy : The Government of India will no doubt be consulted. In fact they have got to be consulted.

Mr. Lalchand Navalrai : Can the Government inform us whether there have been any difficulties in keeping Badrinath where it is, I mean not transferring it ?

Mr. B. J. Glancy : I am not aware of any precise difficulty, but the question will be easier to answer when the views of the U. P. Government have been received.

Mr. Gaya Prasad Singh : Will the Hindu community at large be given an opportunity to express their views on this question before it is finally decided by the Government of India ?

Mr. B. J. Glancy : I take it that the U. P. Government will, in the first instance, ascertain what Hindu opinion is

Pandit Satyendra Nath Sen : Are Government aware that an inquiry commission was appointed in June last by the All-India Varnashrama Swarajya Sangha to examine the question of transfer and that they have submitted their report against the transfer ?

Mr. B. J. Glancy : I am quite prepared to take the Honourable Member's word for it and I trust that this committee has passed on what it has got to say to the Government of the United Provinces who will no doubt consider it.

Mr. S. C. Mitra : Are Government aware that the temple of Badrinath is not a concern of the Hindus of the U. P. alone ?

Mr. B. J. Glancy : I think that Government are no doubt aware of that, but primarily I should imagine that it is the concern of the U. P.

Mr. S. C. Mitra : Will the Honourable Member take it from the Hindu Members on this side that this Badrinath temple is a big temple and that it is the concern of the Hindus throughout India and not of the U. P. alone ?

Mr. B. J. Glancy : I did not mean to suggest that it is the concern of the Hindus of the United Provinces only. I merely intended to suggest that they are the people who are probably principally interested in it.

Mr. S. C. Mitra : Will the Honourable Member also take it from us that this temple is the concern of the Hindus in general, because it is a temple which is revered and respected and held in high esteem by Hindus of all parts of India. It is not a local temple of a particular place ?

Mr. B. J. Glancy : I should be very glad to take it from the Honourable Member.

Mr. S. C. Mitra : Will the Honourable Member take into consideration the fact that this is not the view of the orthodox people only, but also of people of advanced view, that this temple should not be transferred to a Native State without consulting the public opinion of Hindus in general.

Mr. B. J. Glancy : Yes, Sir.

Mr. Gaya Prasad Singh : I want to make one point clear without prejudicing the question of the transfer of the Badrinath temple. I should like to know whether any opportunity will be given by the Government of India to the Hindu community to express their opinion before any decision is arrived at—either this House or the Hindu community in general ?

Mr. B. J. Glancy : Government will certainly do their very best to ascertain the views of the Hindu community.

Mr. K. P. Thampan : May I ask whether the Government of India will be pleased to send a copy of these questions and the answers to the U. P. Government ?

Mr. B. J. Glancy : Yes, Sir. The Government of the United Provinces have already been informed of the previous question and the answer given.

AIR BOMBING ON THE NORTH-WEST FRONTIER OF INDIA.

697. ***Maulvi Muhammad Shafee Daoodi :** (a) Are Government aware that there is a very strong feeling in the country against aerial bombing at Kotkai and other places on the border of the North-West Frontier Province ?

(b) Do Government contemplate any change in their policy in regard to the territory belonging to the independent tribes on the border ?

(c) Will Government be pleased to state the reasons for the recent trouble on the border ?

(d) Are Government prepared to allay the public feeling in this matter and declare that the aforesaid bombing was the last of its kind ?

Mr. G. R. F. Tottenham : (a) No.

(b) No.

(c) and (d). Government have nothing to add to the statements that have already been made on this subject.

NEW TEN-RUPEE AND FIVE-RUPEE CURRENCY NOTES.

698. ***Mr. M. Maswood Ahmad :** (a) Are Government aware that the new ten-rupee and five-rupee notes are disliked by the people ?

(b) Is it a fact that the paper used in printing these notes is of an inferior quality than the paper which was used previously ?

(c) Do Government propose to stop the printing of notes on paper of such an inferior quality ?

The Honourable Sir George Schuster : With your permission, Sir, I shall reply both the questions Nos 698 and 699 together.

The attention of the Honourable Member is invited to the replies given to starred questions Nos 338 and 339 asked by Mr. Badri Lal Rastogi on the 1st September.

Mr. M. Maswood Ahmad : Do Government propose to print the numbers on five rupee notes at more than one place ?

The Honourable Sir George Schuster : No, Sir.

Mr. M. Maswood Ahmad : May I know why they do not propose to do so ?

The Honourable Sir George Schuster : Because it is considered desirable in the public interest to print it in one place only.

Mr. M. Maswood Ahmad : By printing in one place, it will be difficult to recognise the number if it is torn. In the past the numbers were printed in four places.

The Honourable Sir George Schuster : Government have taken that into account.

Mr. M. Maswood Ahmad : Still, Government do not propose to do it ?

The Honourable Sir George Schuster : I repeat " No ".

NEW TEN-RUPEE AND FIVE-RUPEE CURRENCY NOTES.

†699. **Mr. M. Maswood Ahmad :** (a) Is it a fact that the numbers on the old ten-rupee and five-rupee notes were found at more than one place ?

(b) Is it a fact that the number on the new ten-rupee and five-rupee notes is at one place only ?

(c) Do Government propose to print the number in future on the ten-rupee and five-rupee notes at more than one place ?

APPLICATION FROM JAMIAT-UL-ULEMA FOR GIVING EVIDENCE BEFORE THE JOINT PARLIAMENTARY COMMITTEE.

700. **Mr. M. Maswood Ahmad :** (a) Will Government be pleased to state whether they, or the Chief Commissioner, or the Reforms Office, had received any application, in connection with giving evidence before the Joint Parliamentary Committee, from the Jamiat-ul-Ulema ?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to lay on the table a copy of the letter or letters and a copy of the reply ?

The Honourable Sir Joseph Bhore : (a) An application from the Jamiat-ul-Ulema-i-Hind that witnesses should be sent on their behalf to give evidence before the Joint Select Committee was received in the Reforms Office on the 7th June, 1933.

(b) Government do not propose to lay a copy of the correspondence on the table.

Mr. M. Maswood Ahmad : Is the correspondence a confidential one ?

The Honourable Sir Joseph Bhore : I should not think so, but I would like to have notice of that question.

Mr. M. Maswood Ahmad : Will Government be pleased to state the reasons for not placing it on the table ?

The Honourable Sir Joseph Bhore : No, Sir.

†For answer to this question, see answer to question No. 698.

RELEASE OF KHAN ABDUL GHAFFAR KHAN.

701. ***Mr. M. Maswood Ahmad** : Will Government be pleased to state when Khan Abdul Gaffar Khan, the frontier Gandhi, will be released ?

The Honourable Sir Harry Haig : He will be released when Government are satisfied that his detention is no longer essential in the public interests.

ILLNESS OF KHAN ABDUL GHAFFAR KHAN'S BROTHER.

702. ***Mr. M. Maswood Ahmad** : (a) Will Government be pleased to state whether it is a fact that they were in correspondence with the North-West Frontier Province Government about Khan Abdul Gaffar Khan's brother's serious illness ?

(b) Will Government be pleased to state the condition of his health ?

The Honourable Sir Harry Haig : (a) and (b). There has been no such correspondence. If the Honourable Member is referring to Khan Abdul Ghaffar Khan's brother, Dr. Khan Sahib, who is a State Prisoner in Hazaribagh Jail, I may inform him that he is in good health.

Mr. M. Maswood Ahmad : Has the Honourable Member received any representation at Delhi in regard to this gentleman and was there an undertaking given that this matter would be taken up with the N. W. F. Government ?

The Honourable Sir Harry Haig : I think the Honourable Member must have in mind some other member of Khan Abdul Ghaffar Khan's family or relative, certainly not his brother.

Mr. M. Maswood Ahmad : Will Government inform us who is the other member referred to by my Honourable friend ?

The Honourable Sir Harry Haig : If the Honourable Member will give me the reference, I shall be glad to give him an answer.

PROVISION OF CERTAIN NECESSITIES TO KALANAUR, DISTRICT GURDASPUR.

703. ***Shaikh Sadiq Hasan** : (a) Are Government aware that (i) in the town of Kalanaur, District Gurdaspur, the Emperor Akbar was crowned ; (ii) at one time it was a big city ; (iii) now it has declined on account of lack of communications ?

(b) Are Government aware that there is neither a railway station, nor a telegraph office, in Kalanaur ?

(c) Are Government prepared to take steps to provide Kalanaur with the above-mentioned necessities ?

The Honourable Sir Frank Noyce : (a) (i). Yes.

(a) (ii) and (iii). Government are not in possession of precise information on these points.

(b) Yes.

(c) As regards railway communications I have ascertained that an investigation was made in 1928 of the financial prospects of a line, Dera Baba Nanak—Gurdaspur, which would have served Kalanaur but that it

was found that this would not be remunerative ; a short branch line terminating at Kalanaur would be even less likely to pay. As regards telegraph communication enquiry is being made as to the need for this and whether it would pay to provide it.

WORKING OF THE OIL-PRESS IN JAILS.

704. *Pandit Satyendra Nath Sen : (a) Is there any jail rule directing that convicts punished with rigorous imprisonment should generally be employed in working the oil-press during the first month of their imprisonment ? If so, why ?

(b) Are Government aware that the working of the oil-press is regarded as a very severe punishment ? If so, why is it not postponed till the appeal period is over ? Do Government propose to issue such instructions to Jail authorities ?

The Honourable Sir Harry Haig : (a) I am aware of no such rule. The ordinary rule is that jail labour is divided into three main classes, hard, medium and light, and a convict is only employed on labour of the class for which the Medical Officer has certified him to be fit. The oil-press is ordinarily classed as hard labour.

(b) Does not arise.

Mr. Lalchand Navalrai : May I know if it is harder than the *chakki* ?

The Honourable Sir Harry Haig : I should not imagine so. I should imagine that both are classed as hard labour.

ALLOTMENT OF QUARTERS IN NEW DELHI.

705. *Pandit Satyendra Nath Sen : (a) Will Government be pleased to state if it is a fact that applications for allotment of quarters at New Delhi were called for by the Estate Officer so as to reach him on or before the 15th March, 1933, instead of by 1st July as in previous years ?

(b) Is it a fact that this early date was fixed in order to enable the Estate Officer to make the allotment of Delhi quarters in good time before the move takes place ?

(c) Is it a fact that a provisional allotment for non-lien holders only was made by the Estate Officer about the first week in August last ?

(d) Will Government be pleased to state if this provisional allotment was after about one week modified by the Estate Officer by deleting certain names of Government of India men ? If so, why ?

(e) Will Government be pleased to state if this was done in order to provide quarters to men employed in the New Delhi Municipality ?

(f) Are Government aware that there is already a shortage of quarters for the migratory staff of the Government of India ?

(g) If the reply to part (f) be in the negative, will Government please state the percentage of men moving from Simla for winter who succeeded in getting quarters at Delhi ? Why was the idea to provide quarters to men employed in the New Delhi Municipal Committee not postponed pending the construction of more quarters, which is under contemplation ?

(h) Will Government be pleased to state why no final allotment of quarters at Delhi has taken place so far ?

(i) Are Government aware that this delay in the allotment is responsible for hardships to the staff of the Government of India who are unable to make private arrangements for quarters in the absence of any definite knowledge regarding the allotment ? If the reply be in the affirmative, what steps do Government propose to take to prevent a recurrence ?

(j) Will Government please state how many times from the commencement of the present Simla season the Estate Officer and his staff have visited Simla, and on what business ? Will Government please state the amount of expenditure incurred on account of travelling and daily allowances in this connection ?

The Honourable Sir Frank Noyce . (a) and (b). Yes.

(c) No provisional allotment was made. A purely provisional list of probable allottees was communicated to Departments to enable those who were not likely to get quarters to make other arrangements.

(d) No. Some changes were made in the provisional list after three weeks, because certain quarters are occupied by the staff of the New Delhi Municipal Committee and the Government had under consideration the question whether or not this staff should continue in occupation during the ensuing winter season.

(e) Yes.

(f) Yes. There is a shortage of quarters for both migratory and non-migratory staff.

(g) The first part of the question does not arise. As regards the other part, some of the staff of the Committee are employed on very essential services and in the interests of efficiency, it is necessary that they should be provided with accommodation close to their work as hitherto.

(h) The final allotments have recently issued. They could not issue earlier because, as a consequence of the revised rules, Government have had to deal with several representations received from employees of various Departments from time to time and allotments had to be withheld pending issue of the final orders thereon.

(i) There may have been some inconvenience this year, but this was unavoidable.

(j) The Estate Officer and his staff visited Simla three times during the current Simla season and their visits, as usual, were in connection with the allotment of bungalows and quarters in Delhi and in Simla. The amount of expenditure incurred in this connection was Rs. 891.

Sir Cowasji Jehangir : Will the Honourable Member kindly inform the House for whom the Western Hostel was constructed at Delhi ?

The Honourable Sir Frank Noyce : I venture to think that that hardly arises out of this question, but I believe it was constructed mainly for the benefit of the Members of the Legislature.

Sir Cowasji Jehangir : Is the Honourable Member aware that a major portion of it is occupied by those who are not Members either of this Assembly or of the Council of State ?

The Honourable Sir Frank Noyce : I understand, to the best of my recollection, that there are a certain number of rooms which are reserved for the Members of this Assembly and of the Council of State, but I am not quite sure what the rules are.

Sir Cowasji Jehangir : Is the Honourable Member aware that the accommodation reserved for the Members of this Assembly and perhaps for the Members of the Council of State is not sufficient for the purpose for which the Western Hostel was constructed and that sometimes there is a scarcity of accommodation in the Western Hostel, although the major portion of it is occupied by non-Members of the Assembly?

The Honourable Sir Frank Noyce : No, Sir, I am not aware of that but I shall be glad to look into the matter.

Sir Cowasji Jehangir : If the Honourable Member will look into the matter next year, he will be conferring a great benefit on the Members of the Assembly.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair would suggest that this question might be examined by the House Committee which can go into details.

TEST OF RED SEAL BRAND METAL POLISH AND SILVER POLISH BY THE
ALIPORE TEST HOUSE.

706. ***Pandit Satyendra Nath Sen :** (a) Are Government aware that Messrs. Sett and Dass Company are the manufacturers of Red Seal Brand metal polish and silver polish?

(b) Is it a fact that the Alipore Test House gave Messrs. Sett and Dass Company a Test Report on that polish originally on receipt of a fee of Rs. 48 from them just at the time of Tender for 1932, which was challenged by Messrs. Sett and Dass Company as wrong?

(c) Is it a fact that the Test Report satisfying the Indian Stores Department Specifications was granted to Messrs. Sett and Dass Company after the challenge without receipt of any further fee of Rs. 48?

The Honourable Sir Frank Noyce : (a) Yes.

(b) The first report of the Government Test House on a sample of Red Seal metal polish was issued on the 20th June, 1931. The accuracy of the analysis was subsequently challenged by the firm.

(c) No. No sample satisfying the specification has yet been received from the firm.

TEST OF RED SEAL BRAND METAL POLISH AND SILVER POLISH BY THE
ALIPORE TEST HOUSE.

707. ***Pandit Satyendra Nath Sen :** (a) Is it a fact that the Alipore Test House originally obtained the result of an analysis of Red Seal metal polish by heating the article, which spoilt the original quality of the goods?

(b) Is it a fact that Messrs. Sett and Dass Company pointed out to the Indian Stores Department that the said method of analysis was wrong?

(c) Is it also a fact that Messrs. Sett and Dass Company brought to the notice of the Chief Controller of Stores the great difference in the analysis made by the Alipore Test House and that of Dr. H. K. Sen of the Science College, Calcutta, whereupon the Chief Controller of Stores ordered re-test of Messrs. Sett and Dass Company's metal polish free of charge ?

(d) If the answer to part (c) be in the affirmative, is it a fact that on re-test, it was found to satisfy the Indian Stores Department Specifications and to agree almost with Dr. H. K. Sen's report ? If so, what action, if any, was taken to prevent such wrong analysis in future with respect to Indian products ?

(e) Is it a fact that Mr. Sen of Alipore Test House at first remarked " Insufficient Sample " in the Tender Sample Receipt ? Is it a fact that one pound (1 lb.) nett was submitted to them by Messrs. Sett and Dass Company, as per terms of the Tender, and that afterwards on their protest the Test House amended the same ?

The Honourable Sir Frank Noyce : (a) The analysis was carried out by the usual method. This involved heating the metal polish. This process has no adverse effect on metal polish satisfying the specification. In the case of a metal polish, such as that mentioned, containing ingredients not authorised by the specification, decomposition may have occurred. This was impossible to verify, since, by the time the point was raised by the firm, the metal polish had all been consumed.

(b) It is a fact that Messrs. Sett and Dass Company claimed that the method of analysis was wrong.

(c) Yes.

(d) It is not a fact that on re-test a sample was found to satisfy the specification, neither did the result agree with that obtained on another sample by Dr. H. K. Sen.

(e) As far as the officer concerned can recollect, the firm at first submitted two tins which were thought insufficient and the firm therefore sent a further two tins to make a sufficient sample.

REJECTION BY THE ALIPORE TEST HOUSE OF A TENDER SAMPLE OF MESSRS. SETT AND DASS COMPANY.

708. *Pandit Satyendra Nath Sen : (a) Is it a fact that the Tender Sample given by Messrs. Sett and Dass Company for 1933-34 was rejected by the Alipore Test House on the ground of formation of " Hard Cake " which necessitated cutting open the tin containers for analysis ?

(b) Is it a fact that Messrs. Sett and Dass Company submitted to the Indian Stores Department a Test Report from Messrs. R. V. Briggs and Company, who gave their report after retention of the same sample for a period of 27 days, during which the aforesaid formation of " Hard Cake " was proved to be impossible ?

(c) Is it a fact that Messrs. Sett and Dass Company also submitted a sealed sample along with the Tender for 1933-34 to the Indian Stores Department and, after the report by Messrs. R. V. Briggs and Company, requested for the same being sent to an impartial chemist in Calcutta for analysis ?

(d) Is it a fact that instead of sending that sealed sample to another chemist the Indian Stores Department sent it to the Alipore Test House against whom Messrs. Sett and Dass Company had complained ?

(e) Is it a fact that the Superintendent of the Alipore Test House asked Mr. Sett of Messrs. Sett and Dass Company, twice by phone, to inspect and open the sample within the Alipore Test House Chamber on condition that no outsider should be allowed there ?

(f) Is it a fact that Messrs. Sett and Dass Company wanted to open the said sample in the presence of a Notary Public and a chemist from the Science College, which request was refused by the Alipore Test House ?

(g) If the reply to part (f) be in the affirmative, why was the request for such inspection in the presence of a Notary Public refused by the Indian Stores Department also ?

The Honourable Sir Frank Noyce : (a) Yes.

(b) Messrs. Sett and Dass Company submitted a report by Messrs. R. V. Briggs and Company showing that a sample tested by them did not form a hard cake.

(c) Yes.

(d) Yes.

(e) The Superintendent (once, not twice) asked Mr. Sett on the telephone to be present when the sample was opened. Mr. Sett wished to bring two outsiders to which the Superintendent did not agree. The Superintendent then asked Mr. Sett to come to discuss the matter Mr. Sett agreed, but failed to keep the appointment.

(f) Yes.

(g) The offer was made to open the tin in the presence of Mr. Sett and any of his staff whom he wished to bring with him. This offer was refused, and as the general procedure followed in the Government Test House does not permit outside parties to be present during examination and tests, no further action was possible.

REJECTION BY THE ALIPORE TEST HOUSE OF A TENDER SAMPLE OF MESSRS. SETT AND DASS COMPANY.

709. ***Pandit Satyendra Nath Sen :** (a) Is it a fact that Messrs. Sett and Dass Company quoted prices in the Tender for 1933-34 which, if accepted, would have saved a good deal of Government money ?

(b) Was there any enquiry made into the allegation of Messrs. Sett and Dass Company ? If so, were they requested to withdraw the allegation ?

(c) Was any request made by Messrs. Sett and Dass Company to the Chief Controller of Stores to reconsider the opinion of the Alipore Test House by opening their sealed tender sample in their presence accompanied by a chemist from the Science College ? If so, why was this request refused ?

(d) Is it a fact that Messrs. Sett and Dass Company informed the Indian Stores Department of the last successful Test Report which they submitted along with the Tender for 1933-34, as per Tender terms, and that no consideration was given to such Test Report, which was very recently submitted to Messrs. Sett and Dass Company ?

The Honourable Sir Frank Noyce : (a) The sample submitted by the firm was unacceptable and therefore the question of savings does not arise.

(b) Yes.

(c) Yes, the attention of the Honourable Member is invited to answer given to part (g) of question No. 708.

(d) When forwarding their tender for 1933-34 requirements, Messrs. Sett and Dass Company referred to test report No. 1897|C., dated the 12th October, 1931, which showed their sample to be unacceptable. Before deciding the tenders for 1933-34 the reports on the examination of samples submitted in accordance with the tender conditions were also considered, but the sample submitted by the firm again showed that the quality of their material was unacceptable.

COLLIERIES WORKING IN BENGAL AND BIHAR COAL-FIELDS.

710. ***Mr. K. C. Neogy :** Will Government be pleased to state :

- (a) the total number of collieries working in Bengal and Bihar coal-fields in the year 1923 ;
- (b) the number of those owned and managed by Indians and by Europeans ;
- (c) the total number of coal mines owned and managed by Indians, which have stopped working during the period January, 1923 to December 1932 ;
- (d) the total number of collieries owned and managed by Europeans which have stopped working during the period January, 1923, to December, 1932 ?

The Honourable Sir Frank Noyce : Enquiries are being made and such information as is available will be laid on the table in due course.

COAL RAISED IN INDIA.

711. ***Mr. K. C. Neogy :** Will Government be pleased to state :

- (a) the total quantity of coal raised in India during the calendar years 1930, 1931, and 1932 ;
- (b) the total amount of despatches of coal in railway wagons during the calendar years 1930, 1931 and 1932 ;
- (c) the total quantity raised and despatched, respectively, during each of the above three years in the Bengal and Bihar and Orissa coal-fields ?

The Honourable Sir Frank Noyce : (a), (b) and (c). A statement is laid on the table giving the figures for all three years in respect of (a) and (b) and for 1930 and 1931 in respect of (c). Particulars for 1932 in respect of (c) are being obtained and will be laid on the table in due course.

Statement showing the total quantity of coal raised and despatched from mines regulated by the Indian Mines Act, 1923.

		1930.	1931.	1932.
(a) Raisings—(tons)	.. ..	22,683,861	20,514,597	18,719,587
(b) Despatches—(tons)	.. ..	20,018,525	17,681,474	16,152,757
(c) Raisings—(tons)	.. ..	21,311,535	19,198,967	..
Despatches (tons)	.. ..	18,731,303	16,441,473	..

RESTRICTION OF RAISINGS OF COLLIERIES OWNED BY RAILWAYS.

712. ***Mr. K. C. Neogy** : (a) Do Government contemplate further restriction of raisings of collieries owned by State Railways as well as Company-managed railways ?

(b) If the answer to part (a) be in the affirmative, will Government please state the extent to which such restriction will be made ?

(c) Are Government aware that smaller collieries have been the hardest hit by the depression in the coal trade, and do Government propose to purchase the quantity thus released and made available for purchase from market, mainly from small collieries whose average raisings are below 50,000 tons per year ?

Mr. P. R. Rau : (a) and (b). A proposal made by the Indian Mining Association is under consideration at present, but Government have not come to any conclusions, even tentative, in the matter and I am unable to make any statement about it at present.

(c) This suggestion which was also made by the Indian Mining Federation will also be considered along with the main question.

EXPORT OF BENGAL AND BIHAR COAL.

713. ***Mr. K. C. Neogy** : Is it a fact that the export of Bengal and Bihar coal is mainly restricted to a small number of collieries commanding big output and mainly owned and managed by Europeans ?

The Honourable Sir Joseph Bhore : Inquiries are being made and the result will be furnished to the House in due course.

WITHDRAWAL OF SURCHARGE ON COAL.

714. ***Mr. K. C. Neogy** : (a) Is it a fact that the Indian Mining Association and the Indian Mining Federation made representations to the Railway Board for abolition of the 15 per cent. surcharge on despatches of coal introduced in January 1932 ?

(b) Do Government propose to consider the withdrawal of the surcharge ?

(c) If the answer to part (b) be in the affirmative, will Government please state how soon they would come to a decision on the point ?

Mr. P. R. Rau : (a) Yes.

(b) The representation is under consideration.

(c) As soon as certain statistical information which is awaited from the East Indian Railway is received, I think Government will be in a position to arrive at a final decision.

LOWER SCALE OF RAILWAY FREIGHT ON COAL FROM PENCH AND CHANDA VALLEY COLLIERIES.

715. Mr. K. C. Neogy : (a) Is it a fact that the Great Indian Peninsula Railway Administration introduced in 1923, a lower scale of railway freight for coal from Pench and Chanda Valley collieries than that applicable for coal from the Bengal and Bihar coal-fields in order to facilitate free movement of coal from the former, which, for want of market for their output, were likely to close down ?

(b) Is the same scale still operating ?

(c) Are Government aware that the Indian Mining Federation made repeated representations to the Railway Board for abolition of this discrimination against Bengal and Bihar coal ?

(d) Are Government aware that Bengal and Bihar coal has lost its custom to Pench and Chanda Valley coal at stations on the Great Indian Peninsula and Bombay, Baroda and Central India Railways ?

(e) Do Government contemplate abolition of the above discriminatory rates of freight ?

(f) If the answer to part (e) be in the negative, will Government please state the reason why ?

Mr. P. R. Rau : (a), (b) and (c). Yes.

(d) Government have no reliable information in their possession which can definitely show whether this is the case, but are making enquiries.

(e) and (f). The question is under consideration.

APPLICATIONS FOR REGISTRATION OF FIRMS RECEIVED BY THE INCOME-TAX OFFICER IN KARACHI.

716 *Seth Haji Abdoola Haroon : Will Government be pleased to lay on the table of this House a statement showing for each of the three years 1930-31, 1931-32 and 1932-33 (a) the number of applications for registration of firms received by the Income-tax Officers in Karachi ; (b) the number of cases in which registration was refused ; and (c) the number of applications which appertained to partnerships between members of Muhammadan families ?

The Honourable Sir George Schuster : (a) 260 in 1930-31, 301 in 1931-32 and 331 in 1932-33.

(b) 4 in 1930-31, 9 in 1931-32 and 7 in 1932-33.

(c) Information is not available.

AGE OF COMPULSORY RETIREMENT IN RAILWAY BOARD'S OFFICE.

717. *Mr. M. Maswood Ahmad : Is it a fact that Government issued certain orders last year that the age of compulsory retirement on Railways in India shall be 55 and no extensions beyond that age should be granted to Railway servants ? If so, does that order apply to the Railway Board's office ? If not, why not ?

Mr. P. R. Rau : Orders were issued to the State-managed Railways in September, 1932, that for the present in units in which there is a surplus or a likelihood of it or in which there is a waiting list, extensions of service after the age of 55 should not as a rule be granted to railway employees

These instructions do not apply to the office of the Railway Board.

Mr. Lalchand Navalrai : May I know, Sir, if there are persons in the Railway Board who are enjoying extensions after the age of 55 ?

Mr. P. R. Rau : I do not think so, but I should like to have notice of that question.

Mr. M. Maswood Ahmad : Is it a fact that the Railway Board has extended the age of superannuation from 55 to 56 years ?

Mr. P. R. Rau : Yes, Sir, recently as a temporary measure.

Mr. M. Maswood Ahmad : Is the Honourable Member aware that in reply to my question the Home Member said the other day that the question of increasing the age of superannuation is not under the consideration of the Government ?

Mr. P. R. Rau : The age of superannuation for the clerical staff is 60, and not 55.

Mr. M. Maswood Ahmad : Will the Honourable the Home Member say whether the reply he gave before was in respect of clerical staff only or was it for officers as well ?

The Honourable Sir Harry Haig : I have no recollection of the particular reply which the Honourable Member is referring to.

Mr. M. Maswood Ahmad : Will the Honourable the Financial Commissioner for Railways say whether the Railway Board consulted the Home Department when they increased the age of superannuation from 55 to 56 ?

Mr. P. R. Rau : No, Sir. It was unnecessary, because the rules lay down the age of superannuation for the clerical staff at 60 and each Department is competent to reduce it to the extent required above 55.

Mr. M. Maswood Ahmad : May I take it, then, that the increase in the age of superannuation from 55 to 56 was made without consulting the Home Department ?

Mr. P. R. Rau : I have already told my Honourable friend that this relates to the clerical staff only.

Mr. M. Maswood Ahmad : For whom the age of superannuation is 55 ?

Mr. P. R. Rau : For the superior staff—officers—it is 55.

Mr. M. Maswood Ahmad : Then the age of superannuation for the superior staff has been raised from 55 to 56 ?

Mr. P. R. Rau : No, Sir.

WAITING LIST OF RETRENCHED PERSONNEL IN RAILWAY BOARD'S OFFICE.

718. ***Mr. M. Maswood Ahmad :** (a) Is it a fact that there is a large waiting list of retrenched personnel in the Railway Board's office ? If so, what action, if any, do Government propose to take to have them employed either in the Railway Board or some other Railway offices ?

(b) Is it a fact that some persons whose names appear on the retrenched list maintained in the Railway Board's office are at present employed in other offices ? If so, is it proposed to remove their names from the waiting list to give a chance to others who are below them on that list ?

Mr. P. R. Rau : (a) The list can hardly be described as " a large waiting list ". The position is that of an original list of 25 men, three have obtained permanent employment elsewhere, nine have temporary employment with the Railway Board, the Central Standards Office and the Eastern Bengal Railway, and four are known to be unemployed. The situation of the remaining nine men is not known, as they have left no permanent address with the Railway Board. The waiting list has already been circulated to subordinate offices with the object of procuring employment for the retrenched personnel if possible.

(b) No ; as retrenched persons obtain permanent employment their names are removed from the waiting list.

Mr. Lalchand Navalrai : May I ask, Sir, if the retrenchment is still going on in the case of State Railways or has it been stopped ?

Mr. P. R. Rau : I have no knowledge of any recent retrenchment.

Mr. M. Maswood Ahmad : In view of the long waiting list, do Government propose that those officers who have reached the age of superannuation will not be given an extension ?

Mr. P. R. Rau : I have already told that this can hardly be considered. There are only four people on the waiting list.

Mr. President (The Honourable Sir Shanmukham Chetty) : Does the Honourable Member, Mr. James, want to ask short notice question* ?

12 Noon.

Mr. F. E. James : No, Sir.

*Mr. F. E. James : Will Government be pleased to make a statement as to the present situation with regard to :

- (a) the expulsion order against certain members of the Chettiyar community in Saigon ;
- (b) the position of the Chettiyar Bankers in regard to their banking operations in Indo-China with special reference to their dealings with the " Long Term Society " ?

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Joseph Bore (Member for Commerce and Railways) : Sir, I lay on the table :

- (i) the information promised in reply to supplementary questions to starred question No. 1201 asked by Mr. K. P. Thampan on the 15th November, 1932 ; and
- (ii) the information promised in reply to supplementary questions to starred question No. 451 asked by Mr. M. Maswood Ahmad on the 23rd February, 1933.

DUMPING OF CEYLON COPRA INTO INDIA.

-1201. During the last year or so there have been certain limited imports of Ceylon copra into Malabar and it is possible that in some instances a certain amount of this was mixed with the local copra in exports to the North from the West Coast. It is very unlikely, however, that this admixture has been at all common or that pure Ceylon copra is being exported in any quantity worth consideration. The Government of India understand that copra supplied to Northern India markets from Bombay is Malabar copra and not Ceylon copra. Copra imported from Ceylon is principally used for oil extraction and as there are no oil extracting mills in the Punjab, it is gathered that the copra which is exported to Northern India is Malabar copra for eating purposes.

Representations were received by the Government of India from four different Chambers of Commerce against the reduction or abolition of the import duty on copra.

CONDITION OF AGRICULTURE AND INDUSTRIES IN FOREIGN COUNTRIES.

-451. No reports of any important agricultural or industrial schemes in the countries named in reply to part (a) of the main question have been received from the Government of India's representatives in those countries during the last three years.

As regards the circulation of periodical reports received from the Government of India's representatives in question, the position, so far as the Department of Commerce is concerned, is as follows. Quarterly as well as annual reports are received from the Indian Trade Commissioners at London and Hamburg. The former are printed in the Indian Trade Journal, copies of which are available in the Library of the House, and copies of the annual reports are also placed in the Library. The Government of India do not consider it necessary to circulate any of these reports amongst the members of the Legislative Assembly. Copies are, however, supplied to members of the Departmental Standing Advisory Committee.

The Honourable Sir Harry Haig (Home Member) : Sir, I lay on the table the information promised in reply to unstarred question No. 104 asked by Mr. M. Maswood Ahmed on the 22nd March, 1933.

SERVICE UNIONS, ASSOCIATIONS, ETC., RECOGNISED BY GOVERNMENT.

104. The rules relating to recognition by Government of associations formed by its employees were issued in 1921. A statement showing the associations of Government servants recognised since that year by the Government of India and the Departments under their administrative control is attached.

Statement.

Name of Association.	Year of recognition.
*Association of the uncovenanted service of the Government of India (Headquarters)	1922
Indian Police Association	1922
Indian Civil Service Central Association	1922
Punjab and Frontier Association of European Government Servants	1923
Indian Officers' Association	1923
The High Court Association, Calcutta	1925
Government of India Attached and Subordinate Offices Association	1925
Imperial Secretariat Record Sorters and Daftaries Association	1926
All-India Association of European Government Servants	1927
Imperial Secretariat Jemadars' and Peons' Association	1932
Government of India attached and subordinate offices Record Sorters (including Record Lifters) and Daftaries Association (non-migratory)	1933
Survey of India (Class II) Association, Calcutta	1933
Survey of India Lower Subordinate Association, Dehra Dun	1924
Central Association of <i>European Officers</i> of the Indian Agricultural Service, Bombay	1923
All-India Association of <i>Indian Officers</i> of the Indian Agricultural Service, Coimbatore	1926
Indian Veterinary Service Association, Calcutta	1923
Imperial Department of Agriculture (Pussa) Association	1930
Civil Engineers' Association, India	1923
Indian College Engineers' Association	1924
All-India Specialists' Association	1924
India-recruited European Engineers' Association	1925
Meteorological Department Clerks' Association (now designated as the Meteorological Department Non-Gazetted Officers' Association)	1928
All-India (including Burma) Postal and R. M. S. Union, Delhi	1922
All-India Burma Postmasters' Association, Bombay	1922
The Postal Officers' Association, India, Calcutta	1922
The Telegraph Engineers' Association, Delhi	1922
Indian Telegraph Association, Limited, Calcutta	1923
All-India Telegraph Union, Calcutta	1924
All-India Postal and Telegraph (including R. M. S.) Administrative Offices Association, Lucknow	1925
All-India R. M. S. Inspectors' Association, Delhi	1925
All-India (including Burma) Postmen and Lower Grade Staff Union, Bombay	1925
The Association of the All-India Postal Town Inspectors, Calcutta	1928

*This Association subsequently changed its name to "Imperial Secretariat Association".

Name of Association.	Year of recognition.
All-India (including Burma) Postal Accountants' Association, Poona	1929
The Telephone Service Association of India and Burma, New Delhi	1929
Indian Audit and Accounts Service Association	1923
Customs Service Association of All-India and Burma, Calcutta ..	*1923
Imperial Opium Officers' Association	1923
N. I. S. R. Department Officers' Association, Sambhar	1924
Bengal Income-tax Association, Calcutta	1925
Income-tax Department Ministerial Officers' Association, B. and O., Ranchi	1925
Association of the Gazetted Officers of the Income-tax Department, Bombay	1927
Clerks Association of the Income-tax Department, Punjab, N. W. F. P. and Delhi Province, Lahore	1927
Central Board of Revenue Ministerial Officers' Union, Bombay ..	1928
Income-tax Officers' Association, United Provinces	1928
Income-tax (Gazetted) Service Association, Bengal	1928
Income-tax Ministerial Officers' Association, United Provinces ..	1928
N. I. S. R. Department Clerks Association	1928
Government Peons Union, Bombay	1928
Income-tax Department Non-Gazetted Officers' Association, Central Provinces and Berar, Nagpur	1929
Income-tax Inspectors' Association, Punjab, N. W. F. P. and Delhi Province, Lahore	1930
Income-tax Officers' Association, Punjab, N. W. F. and Delhi Provinces, Lahore	1930
Income-tax Department Non-Gazetted Officers' Association, Madras	1930
Income-tax (Gazetted) Service Association, Bihar and Orissa ..	1931
Association of the Non-Gazetted Superior Staff of the Income-tax Department in Sind	1931
Currency Association, Calcutta	1922
Currency Association, Cawnpore	1927
Currency Association, Lahore	1924
Currency Association, Bombay	1923
Currency Association, Madras	1923
Currency Association, Karachi	1925
Currency Association, Rangoon	1922
All-India (including Burma) Currency Offices Union	1925
Non-Gazetted Civil Accounts Brotherhood, United Provinces ..	1922
Civil Accounts Association, Punjab	1922
Non-Gazetted Civil Accounts Association, Burma	1922
Accounts Offices Association, Bengal	1922
Non-Gazetted Civil Accounts Office Association, Madras	1923

*Recognition was withdrawn in 1926 but restored in June, 1928.

Name of Association.	Year of recognition.
Delhi Posts and Telegraphs Audit Clerks' Union	1923
Civil Accounts Association, Bombay	1923
Non-Gazetted Postal Accounts Offices Association, Nagpur ..	1923
Madras Postal Audit Clerks Association	1922
Accountants Association, Rangoon	1922
Civil Accounts Office Association, Nagpur	1924
Civil Accounts Association, Assam	1924
Public Works Accountants Association, U. P.	1924
Bombay Public Works Accountants Association	1925
Civil Accounts Association (A. G. C. R.), Delhi	1926
Public Works Divisional Accountants Association, Punjab ..	1926
Madras Divisional Accountants Association	1930
Burma Railways Statutory Audit Office Clerks' Association, Rangoon	1930
Railway Audit Accountants Association, Rangoon	1930
Railway Auditors Association, Bombay	1930
Bengal Divisional Accountants Association	1931
Stores Audit Association, New Delhi	1931
Great Indian Peninsula Railway Statutory Audit Office Clerks' Association	1931
North Western Railway Auditors Association, Lahore ..	1932
Subordinate Statutory Railway Auditors' Association, Madras ..	1931
Railway Auditors Association, Calcutta	1932
Divisional Accountants Association, Assam	1932
North Western Railway Audit Clerks' Union	1932
Frontier Civil Accounts Association, Peshawar	1933
Government Audit Clerks Association, Bengal Nagpur Railway ..	1933
Foreman's Association of India	1919
Civilian Clerks' Association (M. E. S.), North-West Frontier Province, Peshawar	1922
All-India Arsenal Clerks' Association	1922
Army and Royal Air Force Headquarters Association	1923
All-India Association of Clerks of Ordnance Factories	1924
Indian Ordnance Civilian Gazetted Officers' Association	1926
Association of the All-India Royal Air Force Units' Clerks ..	1927
*Harness and Saddlery Factory Labour Union	1928
Cordite Factory Labour Union	1928
Indian Army Service Corps Civilian Association	1928
Gun Carriage Factory Labour Union	1931
Association of Storekeepers and Storemen of the Indian Army Ordnance Corps	1932
All-India Association of the Supervising Staff of Ordnance and Clothing Factories	1932

*Recognition withdrawn on the 8th February, 1933.

Name of Association.	Year of recognition.
Military Accounts Association, Poona	1921
Military Accounts Association, Calcutta	1926
Military Accounts Association, Maymyo	1926

The Honourable Sir Frank Noyce (Member for Industries and Labour) : Sir, I lay on the table :

- (i) the information promised in reply to starred question No. 619 asked by Mr K. P. Thampan on the 4th March, 1932 ;
- (ii) the information promised in reply to starred question No. 1067 asked by Sardar Sant Singh on the 1st April, 1933 ;
- (iii) the information promised in reply to starred questions Nos. 1075, 1076 and 1077 asked by Mr. D. K. Lahiri Chaudhury on the 1st April, 1933 ; and
- (iv) the information promised in reply to starred question No. 1205 asked by Maulvi Sayyid Murtuza Sahib Bahadur on the 10th April, 1933.

MEMORIALS FROM ENGINEERING SUPERVISORS, TELEGRAPHS.

*619. (a) Yes, except that the memorials were received before August, 1931.

(o) The case of the memorialists and of other Engineering Supervisors, General, who were appointed to their posts on a substantive basis after 4½ years' service as Telegraphists and three years' service as temporary Engineering Supervisors has been reviewed by the Director-General in consultation with Government. The number of officials affected is 57. The review has revealed that most of the memorialists had more than one chance to qualify for promotion to the grade of Deputy Assistant Engineer, Telegraphs, prior to the discontinuance of the old system of training. Further, of the memorialists and other Engineering Supervisors, many were over age, some did not possess the requisite qualifications for selection for training and others had had at least three opportunities.

Government consider that those who were over age, those who did not possess the prescribed qualifications and those who had had three opportunities but did not take advantage of them have no legitimate grievance and that therefore the cases of 16 Engineering Supervisors only require special consideration. Of these 16 eleven had two opportunities, four had one opportunity and the remaining one had no opportunity to qualify. It is impossible to give any of them further chances of qualifying under the old system as that system has been abolished, but it has been decided that the eleven officials who had two opportunities to qualify will be given one more chance, the four officials who had one opportunity to qualify will be afforded two more chances, and the remaining official who had no opportunities to qualify will be given three chances. For this purpose, they will be given a special course of training in the Electrical Engineer-in-Chief's Office, subject to their passing an entrance examination. Thus all Engineering Supervisors who had the requisite qualifications will have had at least three chances to qualify for promotion to the grade of Deputy Assistant Engineers whether or not they took advantage of their opportunities prior to 1920.

(c) The reply to the first part is in the negative. The second and third parts are covered by the answer to part (b).

(d) Yes. Recruitment was previously made partly from telegraphists of not less than 4½ years' service who were not required to pass any examination ; and partly from telegraphists who had undergone a special training for 2½ years and had successfully passed an examination at the end of it. Under the orders of 1927, which had effect from the 1st January, 1929, these methods were replaced by a new system of recruitment partly from within, and partly from outside the Department, designed to obtain men with better educational qualifications. As regards seniority those Supervisors who had completed a nine months' course of training for promotion to the grade of Deputy Assistant Engineer in 1927 were ranked for seniority after those who had already passed that course ; the Supervisors who passed that course in 1928 were

classified for the purposes of promotion to the grade of Deputy Assistant Engineers with the men who completed the 2½ years' course of training in 1925, and their relative seniority was fixed according to the percentage of marks obtained in the examinations. In cases where the marks are identical, seniority was decided according to the length of service. These arrangements were decided on in consideration of various factors including allowances for the ages and experience of the different batches of passed staff.

PAINTS USED BY THE EASTERN BENGAL RAILWAY FOR PAINTING THEIR WAGON.

1067. (a) The numbers of the Specifications mentioned by the Honourable Member are not correct. Specification No. G/O.P.-121 and G/O.P.-121|1 are presumably meant. Specification No. G/O.P.-121 for black paint requires the pigment to be equal in staining power and tone to the standard which contains 20 per cent. of lamp black. The pigment will not necessarily itself contain 20 per cent. of lamp black, but may contain more or less according to the grade of lamp black used. Specification No. G/O.P.-121|1 for black paint second quality requires the pigment to be equal in staining power and similar in tone to the standard which contains 3 per cent. of carbon black.

(b) No. In addition to the specifications for black paint mentioned in reply to part (a) there is another specification No. G/O.P.-122 for bone black paint.

(c) Presumably Muraco special black paint is referred to. This is a paint of an altogether different type from paints made to comply with specifications described in replies to (a) and (b). It is not known how much carbon black, if any, it contains. The loss on ignition of the pigment is about 80 per cent.

TENDER CALLED FOR BY THE INDIAN STORES DEPARTMENT FOR ENAMEL NAVY GREEN.

1075. (a) The Indian Stores Department called for tenders for 6,400 gallons of enamel Navy green on the 29th May, 1929.

(b) Yes.

(c) 1st Part.—Yes. 300 gallons were purchased in June, 1929, and 3,700 gallons in August, 1929. The price in both cases was Rs. 11-4-0 per gallon.

2nd Part.—It is not practicable to purchase enamels for railway use on the results of analytical tests. Such enamels are chosen on the basis of actual exposure tests, as in the analogous case of railway varnishes. This is well-known to paint manufacturers. At the time of this particular order the results of exposure tests were not available. The Government Test House therefore recommended that an order for a part of the quantity of enamel required should be placed with Messrs. Jenson and Nicholson (India), Limited. This recommendation, which was accepted by the Chief Controller of Stores, was made on the strength of the results obtained on the exposure tests carried out on varnishes manufactured by the firm which showed them to compare favourably with other varnishes tested practically by the Government Test House. As varnishes form the most important ingredient of enamels, it was considered that the firm's enamel would also give good results. That this reasoning was valid is shown by the fact that when the practical tests had been completed the enamel was found to be satisfactory.

(d) No complaints have been received from the Railway Administration concerned and, as stated in the answer to part (c), the enamel gave satisfactory results in the exposure tests carried out at the Government Test House.

(e) First part.—The firm named quoted Rs. 6-4-0 per gallon.

Second part.—The composition of the pigment of the sample submitted by Messrs. Murarka Paint and Varnish Works, Limited, conformed to the specification for green enamel. The exposure tests on the varnish manufactured by this firm had, however, proved very unsatisfactory and the firm's offer was therefore not accepted. When the results of exposure tests on the enamels were completed, this firm's enamel was found to be unsatisfactory.

(f) No. Messrs. Murarka Paint and Varnish Works' varnish gave a much less glossy film than that of Messrs. Jenson and Nicholson (India), Limited.

TESTING OF SAMPLES OF ENAMEL NAVY GREEN BY THE GOVERNMENT TEST HOUSE, ALIPORE.

*1076. (a) *First part*.—Yes.

Second part.—No report was submitted as no sample was received from Messrs. Jenson and Nicholson.

(b) Does not arise.

(c) The Government do not propose to place a copy of the report referred to on the table of the House. The report was prepared for the information of the Chief Controller of Stores. If any manufacturer requires a report on the tests and analyses of any of his products, it can be obtained from the Government Test House, Alipore, after the examination of samples of the product and on payment of the prescribed fees.

(d) *First part*.—Out of the 4,000 gallons of enamel, Navy Green, purchased from Messrs. Jenson and Nicholson (India), Limited, in 1929, 3,700 gallons were purchased on the recommendation of the Government Test House, Alipore.

Second part.—The attention of the Honourable Member is invited to the answer given to part (c) of question No. 1075.

SUPPLY OF ENAMEL PURPLE BROWN TO THE EASTERN BENGAL RAILWAY THROUGH THE INDIAN STORES DEPARTMENT.

*1077. (a) Yes.

(b) No.

(c) Enamel Purple Brown was purchased at the price named from Messrs. Jenson and Nicholson while the Rate Contract with Messrs. Hoyle, Robson and Barnett for Enamel Purple Brown to E. B. R. shade was in force, but it was not the same stuff as that covered by the Rate Contract with Messrs. Hoyle, Robson and Barnett.

(d) The difference between Rs. 40 per cwt. and Rs. 9-8-0 per gallon amounts to Rs. 61-5-4 per cwt., but the material on contract with Messrs. Hoyle, Robson and Barnett was inferior to that purchased from Messrs. Jenson and Nicholson and was not suitable for the particular purpose for which it was required by the E. B. Railway.

(e) *First part*.—3,010 gallons.

Second part.—The question of loss does not arise, for, as already explained in the answers to parts (c) and (d), the two materials are not comparable.

(f) The Government are already aware of the reasons for which the purchase was made. These have been explained in the answer to part (d).

(g) The purchase was made by the Controller of Purchase, Calcutta, and, as already explained in parts (c) and (d), the two materials are entirely different, and the question of loss does not therefore arise.

RENT OF GOVERNMENT QUARTERS PAID BY THE STAFF OF THE OFFICE OF THE DEPUTY ACCOUNTANT GENERAL, POSTS AND TELEGRAPHS, DELHI.

*1205. (a) to (f). The clerks concerned are entitled to pay rent under Fundamental Rule 45A. They are not however entitled to have Government quarters allotted to them in Old Delhi or in New Delhi, because they are not required to reside in either place on duty with the Government of India. But this does not affect the question of the payment of rent by them, and the circular of the Deputy Accountant General calling on them to express readiness to pay rent under Fundamental Rule 45B will be cancelled.

(g) The substantive pay of the officer is below Rs. 600 per mensem. He is therefore eligible for clerks' quarters and has been given 'B' Class quarters as there are no 'A' class orthodox quarters in Old Delhi.

Mr. P R. Rau (Financial Commissioner, Railways) : Sir, I lay on the table :

- (i) the information promised in reply to starred question No. 375 asked by Seth Haji Abdoola Haroon on the 20th February, 1933 ;
- (ii) the information promised in reply to parts (b), (c), (d) and (e) of starred question No. 845 asked by Pandit Satyendra Nath Sen on the 21st March, 1933 ; and
- (iii) the information promised in reply to unstarred question No. 109, asked by Pandit Satyendra Nath Sen on the 22nd March, 1933.

PASS SECTION OF THE NORTH WESTERN RAILWAY.

*375. (a) The Agent, North Western Railway, reports that prior to the 1st May, 1930, the strength of the Pass Section was six consisting of one Head Clerk and five clerks but that it was increased with effect from the 1st May, 1930 to eight, consisting of one Head Clerk and seven Clerks. The increase was necessitated on account of considerable increase in work which will be apparent from the figures given below :

No. of passes issued in 1928	25,280
No. of passes issued in 1929	29,622
No. of letters received for the Pass Section :—	
In 1926	12,021
In 1929	16,779
Suburban tickets issued in 1928	735
Suburban tickets issued in 1929	840

(b), (c) and (d). No.

(e) It has been decided to continue the present arrangements. Attention is drawn to the reply to the question referred to which has since been laid on the table.

PROMOTION OF CLERKS IN THE EAST INDIAN RAILWAY ACCOUNTS DEPARTMENT.

*845. (b) Yes.

(c) Yes.

(d) (i) 25.

(ii) 3.

(e) Government do not propose at this distance of time to cancel the 23 irregular promotions which were made as a result of misunderstanding of the rule.

RETRENCHMENT IN THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.

109. (a) and (b). I understand that six clerks who had been retained out of turn under misunderstanding were not included in the list laid on the table of the House in reply to starred question No. 461 (c) and (d), dated 23rd February, 1933.

(c) These six clerks, who had held permanent appointments on the Eastern Bengal and Bombay, Baroda and Central India Railways, came over to the Railway Clearing Accounts Office along with their work, and owing to a misapprehension, the Director considered that, irrespective of their total length of service, these clerks were not to be brought under retrenchment.

I am informed, however, that the men with longer service who were discharged as a result of the irregular retention of these six men have since been either re-entertained or offered posts, in the Railway Clearing Accounts Office.

BILLS PASSED BY THE COUNCIL OF STATE.

Secretary of the Assembly : Sir, in accordance with the provisions of rule 25 of the Indian Legislative Rules, I lay on the table the following Bills which were passed by the Council of State on the 5th September, 1933 :

1. A Bill further to amend the Indian Arbitration Act, 1899, for a certain purpose ; and
2. A Bill further to amend the Cantonments (House Accommodation) Act, 1923, for a certain purpose.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly : Sir, the following Message has been received from the Council of State :

“ I am directed to inform you that the Council of State has, at its meeting held on the 5th September, 1933, agreed without any amendments to the Bill further to amend the Workmen's Compensation Act, 1923, which was passed by the Legislative Assembly, at its meeting held on the 28th August, 1933.”

THE COTTON TEXTILE INDUSTRY PROTECTION (AMENDMENT) BILL

Mr. President (The Honourable Sir Shanmukham Chetty) : The House will now resume further consideration of the motion that the Bill further to amend the Cotton Textile Industry (Protection) Act, 1930, be taken into consideration.

Mr. H. P. Mody (Bombay Millowners' Association : Indian Commerce) : On behalf of the agriculturists and the hand loom weavers of India (Applause), I warmly support the Bill before the House. (Laughter.) I do not know what my friends are laughing about ; with the possible exception of my Honourable friend, Mr. Lahiri Chaudhury, I claim to be as stout a champion of these interests as anyone in this House. I shall never, I hope, be found in this House coming forward for relief to any interests which I represent if it was found that such relief could only be given at the expense of some other interest. As was so admirably put by my Honourable friend, Mr. Ranga Iyer, yesterday, a proper balance has to be struck in these matters, and every measure has got to be considered on its merits, and with reference to its implications, not only as regards the particular industry concerned, but every other industry as well. One of these days, though I feel it rather a difficult task, I hope to convince some of my Honourable friends here, that those like me, who are fighting for the rights of industries, are trying at the same time to serve the best interests of the masses.

With these preliminary observations, I shall now attempt, as briefly as I can, to answer some of the points raised in the debate, and I shall impose the same restraint on myself as was observed by my Honourable friend, the Commerce Member. My Honourable friend, Mr. Raju, on the first day of the debate, spoke for the hand loom weavers. I respect that attitude, but I want to point out to him that he is altogether wrong in thinking that any measure calculated to advance the interests of the textile industry constitutes a threat to the hand loom weaver. It is true that the

[Mr. H. P. Mody.]

hand loom industry today is in a rather deplorable condition, as is every other industry, whether conducted by hand or by power. What are the causes? To a certain extent it is true that the competition of the power factories has affected the fortunes of the hand loom industry; that is bound to happen. But we have this consolation that unlike almost any other country or any other industry that I know of, the hand loom industry has survived in this country for centuries, and has withstood the competition of power factories for the last 70 years more or less successfully, and today it holds almost the same position in the economy of this country as it has ever held. In that I see a gleam of hope, but what I would like to point out to my Honourable friend is that one reason why that industry has suffered is because of the cheap imports from foreign countries, and if we in this House fight for adequate protection for our interests, we are at the same time fighting for the best interests of the hand loom weavers. The duty on cloth has helped the hand loom weaver just as much as it has helped those who are conducting the industry in factories.

An Honourable Member : What about the duty on yarn?

Mr. H. P. Mody : My Honourable friend asks, how about the duty on yarn. I shall answer that question as well. The duty on yarn has not affected the hand loom industry to anything like the extent which my friends imagine, basing their arguments perhaps on what has been said in a recent communiqué of the Madras Government. My Honourable friends must know that there are today a great many mills which are switching over from the production of yarn for sale to the production of cloth. Why are they doing that? They are doing that for the simple reason that there is no economic price to be obtained for yarn. I am giving this as a positive fact, you can verify it by the figures of mills in India today which are engaged in the manufacture of yarn for sale and which find it increasingly necessary to switch over to the production of cloth, because there is no market for yarn at an economic price. If it happens, as it is bound to happen some day, that all mills in India turn their attention to the production of cloth, then the dependence of the hand loom weaver would be more or less on the imported yarn and he is going to get very little shrift or mercy from the exporters of such yarn. It may be that today he is enjoying the benefit of cheap imports, but tomorrow he may find that the foreigner has established himself firmly in this country and that he is able to exact his own price with the elimination of the competition of the mills. Now, I hope, that is a sufficient answer to my Honourable friend. I recognise that my Honourable friend is not opposing this measure, but he has put forward a point of view which is perfectly legitimate and which I have tried to answer to the best of my ability. I turn now to my Honourable friend, Mr. B. Das. My Honourable friend's democratic sympathies and vivid imagination embrace the whole of Indian humanity; he said he spoke for the 350 millions of India.

An Honourable Member : *Minus* the millowners.

Mr. H. P. Mody : I am sorry for the 350 millions *minus* the millowners. Now, Sir, what was his argument when he presented himself to this House as the champion of these 350 millions? He said there would be retaliation on the part of Japan, and that there had been actual retaliation in 1927. I am afraid, my Honourable friend is rather careless in his handling of facts.

Mr. B. Das (Orissa Division : Non-Muhammadan) : Not at all.

Mr. H. P. Mody . There was a retaliation on the part of Japan in the matter of pig iron at a time when there was no question of increasing the duties on textiles. The duties on pig iron were put up by as much as 250 per cent. at one stroke what time the industry had not obtained the measure of relief it has now got. As regards cotton, my Honourable friend, with that delightful incoherence which he exhibits, contradicted himself. He said Japan was retaliating in the matter of cotton, and, in the next breath, he said that within the next five years Japan will grow as much cotton as she wants in Manchuria and other places. If Japan is anyhow going to do that some day, then where comes the question of retaliation ? I do not want, Sir, to strike a controversial note upon this question in view of the very important negotiations which are going to take place in the next few months. But I will say this that if there is going to be a threat to the interests of the agriculturists in India, the proper answer is not whining impotence, but adequate counter measures which I hope this House will most heartily endorse. But I do hope that that unhappy eventuality will be avoided, that, as a result of the Conference which is going to take place, we shall be able to reach an agreement which will ensure friendship between the two countries, and that there will be no more talk of boycott or counter-measures of reprisals.

Now, Sir, Mr. Das, again with the same carelessness with regard to facts, talked of bloated profits. I do not know whether he is still living in the lectic days of 1920. The answer to his imaginings is to be found in an Associated Press message today which says that another few thousand employees have been turned out of their jobs in Bombay mills on account of depression and on account of Japanese competition. Since April, 15 thousand hands have been thrown out of employment in addition to the many thousands who had been thrown out in previous years. But it may be said that this is the position in regard to the Bombay mills only. It is by no means so. Mills at Indore, mills in the Central Provinces and mills in other places are feeling the draught almost as acutely, and there is widespread unemployment everywhere.

Then, my Honourable friend talked of mismanagement of Bombay mills, and in this connection he is rather fond of quoting my Honourable friend, the Member for Industries and Labour. Sir, in spite of my Honourable friend, Sir Frank Noyce's free trade proclivities, I have a warm regard for him, and I have always said that his report in 1927 was a most valuable contribution to the literature on the subject, and was full of suggestions for the amelioration of the industry. But I want to know, in what part of that report does my Honourable friend find support for his theory that there has been gross mismanagement in Bombay mills ? It is true that Sir Frank Noyce has made valuable suggestions for the improvement of the industry, but that is very different altogether from saying that the industry is mismanaged. This continual talk of mismanagement which is being heard, and which no amount of facts and figures can manage to scotch, will, at any rate I hope, be scotched when the Report of the last Tariff Board, a Board which was competent to judge, is published. And if from no other point of view, at least from this particular standpoint, I am anxious that that Report should be released to the public at the earliest possible moment. I hope that Report will give a positive lie to the statements which are being recklessly flung about with regard to the mismanagement of the Bombay

[Mr. H. P. Mody.]

mills. (Interruption by Mr. B. Das.) After all, the Report must be based upon evidence ; I know what evidence has been laid before the Board, and I say that unless they ignore altogether the facts placed before them, they could not come to the conclusion that the industry is suffering from mismanagement. Sir, the real trouble with my Honourable friend, Mr. Das, is not that he does not understand exactly what he is talking about,—though it is sometimes rather difficult to believe that he does understand (Laughter)—he has got enough experience as a politician and as a publicist ; he is a man of affairs, he knows trade and industry ; but the trouble with him is that Mr. Das is a capitalist at heart. (Laughter.) Now, Sir, the capitalist unfortunately today has gone a bit out of fashion, and it does not do for any good patriot to come forward and say that he is an exponent of either capitalist or industrial interests. And, therefore, it is that my friend, Mr. Das, who at heart is as bad a capitalist as any one of us, comes forward to prate about the woes of the agriculturist ; I doubt very much whether he has been within a hundred miles of any village (Laughter) or whether his acquaintance with the agricultural problem goes very much beyond the purchase of a few mangoes or bananas. (Laughter.)

Now, Sir, I will deal briefly with my Honourable friend, Mr. Joshi. In spite of the fact that we always argue against each other, we are great friends. Mr. Joshi propounded a very novel doctrine, that whenever the textile industry came up for some measure of relief, that must be an occasion for imposing on the industry certain conditions with regard to the welfare of labour. Surely these questions are entirely apart. Whether you give protection to the industry or not, a certain standard of life is to be maintained and enforced with regard to labour, all those ameliorative measures, which flow from the Government of India with their increasing labour sympathies, have been designed to improve the lot of labour irrespective of whether the industry has received adequate protection or not. Does my friend require a double dose of protection, namely, industrial legislation proceeding at a rapid pace, irrespective of Protection, and again when the industry comes up for some measure of relief ? That, I say, Sir, is a wholly untenable proposition and I hope it will not be supported anywhere.

I said that I would be very brief ; I have only a few words more to say. My Honourable friend, Mr. Das, speaking on behalf of the Democratic Party, said that they were going to oppose this measure. I hope it is not correct ; I hope at any rate the Democratic Party will reconsider their attitude. What would happen, supposing a large section of the House, a majority section in this House, were of the same opinion ? One of two things would happen. The Tariff Board's Report and the Government of India's decision on that report would have to be immediately published and brought up before the House, and some fresh measure of protection recommended. That I say is obviously out of the question for the simple reason that negotiations are on foot, and it does not do, when the Lancashire deputation and the Japanese deputation are on their way, to present them with a measure of protection at the same time that profess yourself willing to come to a settlement with them. That would be one way of dealing with the matter. The other way would be to do away with protection altogether and to leave the industry to the tender mercies of foreigners. Is that the position which the Democratic Party propose to take up in this House, namely, that the industry should have no protection at all ?

Whose interests would they be serving thereby except the interests of the foreigner? I respectfully ask them whether they have realised the implications of such an attitude. I am sure that no other section in the House will support it. I am not merely concerned with getting votes, not merely concerned with getting this measure through: I want that every Member of this House, realising his responsibility, will whole-heartedly support the measure which has been put forward by my Honourable friend, the Commerce Member.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I must at the outset congratulate my friend from Bombay on the able way in which he began espousing the cause of the agriculturists. I am sure the Honourable Member from Bombay is very receptive, and he probably felt that he was considerably misunderstood yesterday and took the earliest opportunity to clear the misunderstanding and define the position that he has consistently taken up as an old Congressman following the footsteps of Sir Pherozeshah Mehta before the Congress changed its policy. As every millowner in this country has proved by his action, there is a close contact between the agricultural and industrial interests, as evidenced by the fact that the largest quantity of short staple cotton produced in this country is consumed by the millowners themselves. There is no use for supporters of agricultural interests to ignore this essential fact that between agriculture and industries there is an unbreakable connection. It is good to build upon the connection and I welcome, therefore, the observation of the champion of industrial and tariff interests in Bombay. I must say a word in defence of my friend, Mr. B. Das, once upon a time the champion of the Nationalist Party and its most industrious whip. When Mr. B. Das said that he was going to oppose this Bill, I think he governed it with a condition, till the publication of the Tariff Board Report....

Mr. B. Das: Quite so.

Mr. C. S. Ranga Iyer:and I suppose it was only his vigorous way of putting that the Tariff Board Report must be published, and not that this Bill should be opposed, for even Mr. Scott has not chosen to oppose this Bill. What Mr. Scott stated in his usually eloquent and almost convincing and seductive style was this, that the Government of India's policy was more or less typical of "Wait and see Japanese policy". That was quite a dignified way of concealing some of his apprehensions, because he did not want on an occasion like this to express them, for each and every one in this House is anxious to strengthen the hands of the Commerce Member in the great and important negotiations that are opening before us. In this particular matter and during this debate it is well for us from the Opposition Benches to make clear to the Japanese representatives who are coming to this country that the Leader of this House has the confidence of the House as a whole. (Cheers.) When the Leader of the House denounced the Indo-Japanese Convention in April last, we gave him united and unanimous support, because our agricultural and industrial interests called for such action; and I, standing on this side of the House, very clearly stated then that the denunciation of the Convention was but the beginning of negotiations leading to a better understanding and better amity and better agreement with Japan in the light of new conditions.

[Mr. C. S. Ranga Iyer.]

Therefore, we ought to give every support to the Honourable the Commerce Member who is animated not by any hostility towards Japan—on the contrary, as he very clearly stated in his lucid and convincing speech, he is anxious once again to revive those fair traditions and conditions of industrial rapprochement which had united India and Japan. We also join him in giving a welcome, a cordial welcome to the Japanese delegates, because as he very clearly stated, Japan is one of our important customers, the principal buyer, as an outside nation, of our short staple cotton. We want to keep Japan as our friend and we hope that Japan will view the debate that has taken place in this House with sympathy and understanding and realise that our Commerce Member enters into negotiations with the fullest support that a leader of a democratic House in a self-governing country can have. (Cheers.) I have only to add that the agricultural interests are watching developments with great interest, and I welcome the Honourable the Commerce Member's observations in regard to their representation in whatever negotiations concerning those interests that might take place. On this two-clause Bill, if we take into consideration the short title also, we have had a two days' discussion. I think it is sufficient that we have taken over two days on this matter, and time that we gave a vote of confidence to the Commerce Member by passing this Bill unanimously and without any opposition, especially in the light of the fact that we are entering into important negotiations in view of which it is better that the protection is extended for the limited period prescribed. (Cheers.)

Lala Hari Raj Swarup (United Provinces : Landholders) : Mr. President, the sincerity of Mr. Mody and even of Mr. Das may be doubted in voicing the feelings of agriculturists, but my sincerity cannot be doubted, because I represent the landholders of the United Provinces and I have got a large number of tenants under me who grow cotton and I grow cotton myself. I give my wholehearted support to this measure of protection, because I feel that there is nothing in this Bill which is injurious to the interests of the agriculturists. On the other hand by attaching too much importance to this argument in our speeches on Monday and today, we are playing into the hands of the Japanese delegation which is about to come out to India. I understand from reliable sources that the Japanese have sent out men in cotton growing districts instigating cotton growers and to put up their demands that their interests are in danger, in order to impress the importance of their so-called boycott of Indian cotton. Sir, if you look into the figures, you will find that they have placed orders for Indian cotton much in advance. For instance, in July, 1931, they purchased cotton for Rs. 425 lakhs. In 1932, they purchased cotton for Rs. 168 lakhs ; in July 1933, their purchases went up to Rs. 571 lakhs. Before announcing the boycott, they placed orders in advance so that they could hold their own for six months at least to come. Secondly, there is nothing in this argument of boycott, because, as we know, most of the Japanese machinery is adapted for short staple cotton, especially cotton produced in India. By resorting to this boycott and by sticking to it, do we take it that they will throw away crores of their capital into the sea and go in for more machinery ? It is a futile argument. Thirdly, if we look into the exports, we find that the exports of Indian cotton have actually been falling in the Japanese markets ; so it means that the time will

come when we will have to depend upon our own market or find other markets in other parts of the world. I have always thought, Sir, from the very beginning that this short Bill should have been passed without much discussion or argument, because this is a time when, instead of weakening the hands of my Honourable friends, the Industries Member and the Commerce Member, we should strengthen their hands by giving our whole-hearted support to this measure, and I take this opportunity from this place in this House to convey to the Japanese delegation that we Indians will not be afraid of their tactics of dealing in international negotiations. You are well aware, Sir, how difficult it is to deal with the Japanese. You have had the privilege of dealing with these people in International Conference in other parts of the world. Therefore Sir, on behalf of the agriculturists and on behalf of the cotton growers, I wholeheartedly support this Bill, and I would ask every Honourable Member here to accord his full support to the Honourable the Commerce Member.

Mr. K. P. Thampan (West Coast and Nilgiris : Non-Muhammadian Rural) : Sir, the scale of duty that is now proposed to be imposed upon cotton textiles has been in existence for some time, and I would like to know what the Government have done during all the time. It is now nearly six months since the rate has been enhanced, and I should like to ask the Government why they have not cared to send out some experts to find out from Japan why the Japanese people are able to dump their goods into this country and how they are able to sell their produce at such low rates ? I do not think, Sir, that the rate of exchange of the yen alone helps the Japanese to do this. My own opinion is that the Government have not done their duty in this matter, and, in asking us to vote for a measure of this kind, Government are asking us to take a leap in the dark as all light, all the relevant data are withheld from us.

Sir, there are several interests involved in this measure. There are the cotton growers, there are the hand loom weavers, there are the mill-owners, and finally there are the consumers. It is our desire to hold the balance evenly among all these classes. If we can protect the millowners without injuring the interests of other classes of people, we will be the first to do it, because, we know, Sir, there are more than eight lakhs of people who are engaged as labourers in this industry, and it is our earnest desire that they should not be thrown out of employment and that the capitalist should also get a fair return on his investment. Therefore, Sir, if the Democratic Party decided to oppose this measure, it was because the Government had not published the Report of the Tariff Board which we consider would be the most impartial and equitable one, and we naturally thought that, without getting sufficient data on this question, we would not be discharging our duty properly. We refused to allow ourselves to be a party to a measure if it would injure the interests of the agriculturists and other classes of people. The only relevant data that the Government have got on the subject is contained in the Report of the Tariff Board, and that for their own reasons, they have not cared to supply us.

Sir, personally speaking, though I am an agriculturist and a landowner, I do not grow cotton, as you are doubtless aware, but my

[Mr. K. P. Thampan.]

sympathies as an agriculturist are entirely with the cotton growers, and as there are other Members in this House who can speak for cotton growers much better than I can do, I leave the matter to them. But, Sir, there are thousands of hand loom weavers in places, like Tellicherry, Cannanore and throughout the villages in Malabar. There are also weaving factories where beautiful checks and other suitings are manufactured, and a very large number of people depend upon that industry, and, as their spokesman in this House, unless I am convinced that that industry will not be adversely affected by this measure, I cannot lend my support to this Bill.

Sir, not only Malabar, there are other districts also, for instance, the place from which you come, Coimbatore, Salem, Madura, and Tanjore in South India, where there are thousands of hand loom weavers manufacturing very fine *saris*, and other cloths. Their products are said to be very fine, and I am told,—I have not got the figures with me just at the moment,—that cloth worth about 1½ crores of rupees is sent out to foreign places from the Madras Presidency over and above what is sent to several parts of this country. On the last occasion when I went to Lahore, I was delighted to find that the cloth stalls of some merchants there were filled with Cannanore checks and other cloths. This is the condition of this industry in my part of the country and as one, representing the hand loom weavers also, I feel I must think twice before I lend my support to a measure of this kind.

With regard to the consumer, Sir, I may say that I am a consumer myself of cotton goods, and personally I am willing to put up with higher prices for the cloths I purchase for a time if it will assist the producers, but I cannot be expected for all time to put up with higher prices. Why should I not take advantage of the cheaper world prices, why should I be prevented from enjoying the benefits of a cheaper value as the result of more efficient and scientific manufacture and organisation? Sir, an industry that asks for support always is not worth the name, and the fundamental principle in giving protection to any industry is that it should be given only for a limited period of time, before which the industry concerned is expected to turn the corner. You cannot give protection for all time.

Then, Sir, a good deal was said by my Honourable friend, Mr. Mody, about the alleged mismanagement of the mills. I do not know about the nature of mismanagement in the mills, but I know, Sir,—and I have recently read enough of literature on the subject—of the abuses of the managing agency system that obtains in many of the Bombay mills. Sir, it is an unfortunate thing that the Indian Companies Act is so drafted that any kind of abuse on the part of the managing agents is held to be legal. They get a commission for every purchase they make, they get a commission for the sales they effect, they get a commission for keeping of the office, for repairs, building of houses and for every conceivable thing connected with the mills. Whether the mills lose or gain, the profits of the managing agents are ensured. It is the poor shareholder who loses. The system has become almost a scandal. Until and unless the managing agency system is modified, there is no chance of success or hope for these mills. It may be a matter connected with the amendment of the Indian Companies Act, but whatever it is, I hope, Sir, that Government will see their

way to enquire into the prevailing system of managing agencies and eradicate the evils thereof. I am told, Sir, that there is also a good deal of inefficiency in the mills in Bombay and other places. Their plant is said to be anti-diluvian and their expenses of production are also very excessive.....

Mr. H. P. Mody : Why don't you wait for the Report before passing judgment ? Wait for the Report and see what it says.

Mr. K. P. Thampan : In this connection I would invite the attention of the House to certain portions of a letter which appeared in the *Indian Finance* (Industries Supplement) of the 31st August. The letter is from the Bombay Correspondent of that paper, and it is very relevant to this question, and with your indulgence, Sir, I will read certain portions. The Correspondent refers to the opinion of one Mr. Sasakura, a Japanese, who is associated with the Toyo Poddar Cotton Mill of Bombay. He says :

“ In his opinion, the sorry plight of Bombay cotton mills is due to three causes :

- (1) Accumulated stock due to overproduction in India and heavy increase of imported cloth in 1932.
- (2) Higher cost of production of Bombay mills in comparison with upcountry mills and foreign mills.
- (3) Lack of control against reckless competition among Bombay Mills.

In 1932, Indian mill production increased by 20 per cent. There was also an increase of 58 per cent. in imported cloth. The result is that 1932 supplies were higher by 500 million yards over 1931 supplies. This will be equal to 10 per cent. of India's consuming capacity. If the situation is to be remedied, Indian mills should close down for a month and a half, or imports of cloth should cease for a half-year.”

That means that these mills are producing more than the requirements of this country and hence the trouble :

“ As regards production cost, Indian mills incur higher expenditure on wages, power, stores and miscellaneous (such as taxes).”

It is interesting to see from this letter what the average spinning charges per spindle per day is for Bombay mills and for Japanese mills :

	Bombay Mills.	Japanese Mills.
Wages	5.04 pies.	1.57 pies.
Power	1.87 pies.	1.09 pies.
Store	1.16 pies.	0.44 pies.
Miscellaneous ..	1.90 pies.	1.28 pies.
Total	9.97 pies.	4.38 pies.

With regard to the average weaving charges per 100 looms per day, we find the following :

	Bombay Mills.	Japanese Mills
	Rs.	Rs.
Wages	165	43
Power	34	6
Store	36	18
Miscellaneous ..	29	27
Total	264	94

An Honourable Member : What about inefficiency ?

Mr. K. P. Thampan : I am coming to that. What a contrast in regard to the cost of spinning and weaving !

“ The following description of Mr. Sasakura in regard to comparative efficiency of labour is interesting :

‘ It requires 19 hands in Bombay Mills for a bale of 20s. against 11 in Japan ; and one Japanese weaving girl can attend 8 looms while a stout Indian male weaver generally handles two looms and recently three or four looms are given to him in a few mills. In a Japanese automatic loom shed, it is not strange to see a girl attending forty looms with comfort and in spinning, generally a piecing girl attends 1,200 spindles for 40s. against 360 to 400 spindles in Bombay ’.”

In the face of such vast difference between the cost of production and efficiency of Bombay mills and those of Japan, I do not really know at what time salvation will come for Bombay mills. It cannot be, my Honourable friend, Mr. Mody, wants us to continue this system of protection for years to come, and it is too much to expect us to vote for such a proposition.

Mr. H. P. Mody : Ask Mr. Joshi.

Mr. K. P. Thampan : Sir, before I sit down, I will read one more extract from that letter. It says :

“ An additional handicap of Bombay Mills has been the anti-diluvian nature of machinery in most mills. Lack of capital and lack of *himat* or enterprise is responsible for the continued use of old machinery instead of their being replaced by new. Ahmedabad presents quite a different state of affairs.”

It is heartening to find that in Ahmedabad at least things are better.

I must also say something about the imprudent way in which the profits of these mills were distributed during the time when they were making large profits. I was myself a shareholder in one or two mills in south India. Will you believe me when I say that I got some time as much as 60 per cent. dividend ? The Managing Directors thought it prudent to distribute 60 per cent. dividend. Why could they not reserve a certain portion against rainy days ? They never do that. The Company Law must be so altered that these shareholders ought not to be given more than 12 per cent. If it is the duty of the Legislature to protect the industrialist of the country, it is equally the duty of the industrialist to submit himself to the control of the Legislature. It is mutual. When the shareholders get a good dividend, they are jolly over it, but they approach us with a begging bowl in bad days. That is a mentality to which I object.

These are the various factors connected with this problem, and, without giving adequate consideration to all these aspects, I for one cannot lend my support to this Bill, and, if I may speak for them, that is also the attitude of the Democratic Party.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions : Muhammadan Rural) : This is a small Bill with one clause of perhaps five or six lines and it has been under discussion in this House for two days.

Sir, the object of this Bill is very simple. It extends the period of protection to the end of March, 1934, instead of the end of October 1933. We have heard of sincere and insincere sympathies expressed by each other—the agriculturist for the industrialist, and the industrialist for the agriculturist, but I do not find anything in this Bill which pertains

either to the workers, *i.e.*, hand loom weavers or to the cultivators of this country. My Honourable friend, Lala Hari Raj Swarup, talked of the benefits of this Bill to the cultivators. Neither in this Bill nor in the original Bill of 1930 anything was said to be done to extend the advantages of the measures to the poor cultivators of India. It is a great pity that the great field of co-operation which was a great blessing at one time to the whole country has been sent away bag and baggage to the provinces. The protection of cultivators could be considered only in the department of co-operation. Sir, the cultivators of India were getting money through these co-operative societies, but, to our great consternation and regret, we find today that their interests are being neglected in the provinces now, although the Industries and Commerce Departments here have joined hands to help the millowners and Japan. The real interest of the cultivators is in the extension of the hand loom industry, by which they can support themselves and their families. It is the hand loom or cottage industry which supplies funds to the cultivators in their hours of leisure for paying land revenue and land rent which they owe to the Government or to the zamindars. I know that there is the Central Cotton Committee and the co-operative societies, but it is really a matter of great regret that in these days of floods and depression nothing is being done here for the interest of those who work on land or on the hand looms. By extending this protection, you will indeed help the Indian mills, but, so far as the cultivator is concerned, there is not a word in this Act or anywhere to say that the cultivators or their hand looms will be helped in any way. Unless and until these cultivators are supplied with money, cattle and seeds in all the provinces now, I do not see how these industries or these workers can be helped in any way. It is very necessary that we here should now find means to help the cultivators and the manufacturers of these hand loom cloths, whether they are for export or for use in India itself. I need not say much on this subject. Every one of the Members here has expressed great sympathies for the cultivator and I know that the Japanese delegation too is coming and, if the Honourable the Commerce Member will take it into his head to do something—at least to his level best—to help the cultivator, that will be the best method of helping the Indian industries too.

Mr. A. Hoon (Allahabad and Jhansi Divisions : Non-Muhammadan Rural) : I rise to support that the Bill be enacted into law. As stated by my friend, Mr. Scott, I also wish that the Bill was more comprehensive. I also regret that this Bill should have at all aroused any controversy in this House. The position is this. The present Act expires towards the end of October and we are now being asked to extend it up to the end of March. When this Act was passed, there was a hue and cry in the country that we were faced with a national menace in the shape of the Japanese dumping their goods on our markets. Now, it is considered expedient that before we take any further steps in this matter, we might open negotiations with the Japanese representatives and come to some sort of amicable understanding by which the ill feelings which are now being created between the two countries may be removed. Under these circumstances, my humble submission is that there should have been no controversy whatsoever about this Bill. We should have simply told the Leader of the House "Certainly, extend the provisions of this Bill up to the end of March, but

[Mr A. Hoon.]

do your best to safeguard the interests of the country". I am sorry to say that a note of discord has been sounded in some parts of this House. The pleadings of Mr. Raju for the agriculturists, supplemented by the appeal of Mr. Das and the homily of Mr. Joshi, I submit, were entirely irrelevant so far as the issue before the House is concerned. We have got our domestic problems and also the foreign problems. The foreign problem now confronting us is, how are we going to fight this foreign competition. The domestic problem is, how the millowners are going to behave towards the agriculturists. What is going to be in the future the relationship between the producers of cotton and the consumers of cotton is another domestic problem. I dare say we shall have plenty of time to discuss the domestic problems later on. I am sorry that several defects in the working of our mills have been proclaimed. We really do not know how far these statements or charges are correct, but I think it would be much better if at this juncture nothing is said about the weaknesses in our own system of working the mills. We should at this time, with a united voice, send our representatives to the Conference and ask them to safeguard our interests. Much has been made of the fact that the Report of the Tariff Board has not been published and put into the hands of Honourable Members. I really do not know what is the actual cause of the non-publication of the report, but, after the compliments paid by Mr. Ranga Iyer to the shrewdness and sincerity of the Leader of the House, I am inclined to think that it must be some matter of great expediency. The Leader of the House at the very outset of his speech said that we have got to be very cautious and tactful at this particular moment and we should take care that nothing escapes our lips which might do incalculable harm to our cause. I submit that, taking that advice into consideration, we should proceed with this matter. We need not waste any more time of this House in connection with this Bill and we should all express our wish that this Bill may be passed into law immediately.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammadan) : Sir, had it been the last measure of its kind, I would certainly have no objection to support it, but, I am sure, at the Delhi Session, there will be another Bill to give more protection. Government are wanting money and by these means Government want to secure more money. That is my view and, for that reason, I oppose any idea of protection. I have said on several occasions that such protection is given to industries and millowners. There is no sort of protection to Bengal and Bihar agriculturists. Rather you will find that, on account of export duties and other things, the interests of the agriculturists as a whole have always been overlooked.

The Honourable Sir Joseph Bhorc (Member for Commerce and Railways) : What about the import duty on wheat ?

Mr. M. Maswood Ahmad : It is true that on wheat there is some duty, but Bihar and Bengal are not wheat growing provinces and, on that occasion also, I said that there was a large body of men, who were thousand times more than these millowners, that is the consumers. They are now purchasing wheat at a very high cost, also iron and other

things and they have not sufficient money. The rate of rice and jute is very low.

I would ask my Honourable friend not to overlook the interests of the consumers when he discusses this matter with the Japanese delegation. The consumers have given their last drop of blood to the mill-owners and if my Honourable friend from Bombay is not still satisfied, we cannot help it. If my Honourable friend, Mr. Mody, wants that this protection should go on for an unlimited period, we cannot share that idea. With these words, I do not support this measure.

(Some Honourable Members rose to speak.)

Mr. President (The Honourable Sir Shanmukham Chetty) : If it
 ' 1 P.M. is the general desire on the part of the House to carry
 on the debate considerably longer, the Chair has no
 objection, but 15 Members have already taken part in the debate. Does
 the Honourable Mr. Amar Nath Dutt want to speak ?

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadan Rural) : Yes, Sir.

Mr. President : Mr. Amar Nath Dutt.

Mr. Amar Nath Dutt : Sir, when I got a copy of this small Bill and went through the Statement of Objects and Reasons, I had a shrewd suspicion in my mind that the Government had got more than one favourite wife. Sir, it was a Lieutenant Governor of a certain province, more than a quarter of a century ago, who laid down the theory of a favourite wife. As you know, India is a land of polygamy and it is no wonder that our Christian rulers, in spite of their ideas of monogamy, have taken to polygamy here. I was aware of only one favourite wife of the Government of India till recently on whom all sorts of favours have been showered up to this time including the Communal Award and the Poona Pact. But that subject is not at the present moment before the House for discussion. The Honourable the Commerce Member hails from the Presidency of Bombay and he is himself a Christian and I thought that he will not be a party to any theory of a favourite wife, but I find that he has also got a favourite wife, namely, the Bombay millowners.

Sir, this Bill was first enacted in the year 1927 in the interests of the Bombay millowners. A docile Assembly came to the help of this small community who are our countrymen.

Mr. B. Das : It was not docile in 1927.

Mr. Amar Nath Dutt : I think in these matters of tariff the Assembly was as docile then as the Government could desire though not in matters of politics and constitutional advance. That is, however, another matter. This Bill was given an extension of life for another three years after its expiry in the year 1930. I think my Honourable friend, Mr. Das, will agree with me that when it was given an extension of life, certainly the House was very docile, because it consisted of men like him and me only to the exclusion of firebrands. Sir, we thought then that this would be the last attempt on the part of the millowners to ask us to open our pockets for their benefit, but that was not to be. The Honourable the Commerce Member again came over to this Assembly a few months ago and the Act was extended to 31st October, 1933. Now,

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it is proposed to extend it till March 1934. So, Sir, if I make bold to say that the Government of India have got a soft corner in their heart for the Bombay millowners, I do not think I shall be wrong. To what this is due to, it is not necessary for us to attempt to analyse. It may be that at the present moment the Government of India from the highest to the (*Mr. G. Morgan* : "Lowest") lowest has got a preponderance of Bombay officials or who have served in Bombay and, therefore, have friendship with the Bombay cotton magnates. It may be due to that or it may be due to their great solicitude for the interests of the.....

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : Sir, it is a very serious charge that the Honourable Member is making on the Members from Bombay. I would really ask him to substantiate this charge. The allegation that the Honourable Member has made is that the Government Benches from the highest to the lowest consist of Bombay men.

Mr. Amar Nath Dutt : No, no : that word "lowest" was put into my mouth by Mr. Morgan.

Sir Cowasji Jehangir : At any rate, the allegation is that at least the highest officials are from Bombay and that this Bill is introduced on account of their illegitimate sympathies with Bombay. I think the Honourable Member ought to withdraw that remark.

Mr. President (The Honourable Sir Shanmukham Chetty) : It is no defamation to call a person a "Bombay man". (Laughter.)

Sir Cowasji Jehangir : But I cannot see a single Bombay man ; that is my point.

Mr. Amar Nath Dutt : I thank you, Sir, for the kind help which has been rendered to a meek individual who cannot hold his own against such valiant and fierce Knights like Sir Cowasji Jehangir. We expected the Government to show the same keen solicitude for the welfare of the teeming millions of India's population who are at the present moment almost starving, as they showed to the handful of Bombay millowners. Sir, the condition of the country is surely grave. If anyone would care to take note of the conditions of the agricultural population of this country, he will not stop at merely saying that the conditions have become grave, but will try to exert himself to the best of his ability and ask the Government to give relief. That ought to be the first and foremost duty of every Indian in this House before supporting the Government in legislation on matters of this kind which will benefit a handful of millowners. Sir, there have been speeches by landowners and agriculturists. I find that one of them at least pleaded the cause of agriculturists and another gentleman, though pleading the cause of agriculturist, has been hand in glove with the millowners also.

An Honourable Member : I do not own a single share in the sugar factory.

Mr. Amar Nath Dutt : But I know that you are also an industrialist. Sir, it pained me very much when I found that there was no attempt by the Government to bring any relief and to ameliorate the distressed condition of the agriculturists. There has been no attempt

to give them any relief in their present dire distress. I think that we, the representatives of the people, should stay our hands and take up the question of agricultural distress before the distress, if any, of the Bombay millowners. An economist friend of mine handed over to me a book for my study a few days ago and I recommend that a copy of this book may be kept in the Library of the House and I also suggest that the Honourable Member for Commerce should have a copy of this book, for he will find very valuable material therein. The book is entitled "Indian Tariff Problem in relation to Industry and Taxation" by Dr. Dey. I was presented with this copy. When I went through this book, I found that the help which the millowners of Bombay ask us to give them is not warranted at all. With your permission, I shall read a few extracts from the book. On page 112, we find as follows :

"If the millowners of Bombay had followed a cautious policy of dividend distribution and built up a stable reserve fund, they could have continued to give a reasonable dividend to the shareholders and at the same time succeeded in maintaining a strong financial position."

Sir, instead of doing that, they gave dividend at such a high percentage which will stagger, I do not say, humanity, but which will stagger every Member in this House. The percentage of dividend that has been given will be found in the same book in a foot-note on page 113 which runs thus :

"The extravagant financial management of the Bombay mills will be apparent from the following instance. In 1920, two mills paid dividends of over 200 per cent"

An Honourable Member : Name them.

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. The Honourable Member will resume his speech after Lunch.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. Amar Nath Dutt : Sir, I was speaking about the dividends that are being earned by the Bombay millowners. The extravagant financial management of the Bombay mills will be apparent from the following instances. In 1920, two mills paid dividends of over 200 per cent, 14 mills paid 100 per cent. and more, and 20 mills 40 per cent. and more. Sir, my Honourable friend, Mr. Mody, whom I do not see here now, wanted authority for this. He will find this in the Report of the Tariff Board, Volume I, page 83. Mr. A. S. Pears instances an extreme case where the shareholders were not satisfied with a 400 per cent. dividend, but expected a 500 per cent. one. This statement will be found in the book named "Cotton Industry of India" at page 65. Sir, the Tariff Board did indeed realise that the distribution of high dividends in the boom period was among the most important factors that had weakened the financial position of the Bombay mills. Nevertheless they went out of their way to justify the action of the millowners. Sir, in this connection I may relate in this House an historical fact which is probably known to every student of history as to what happened during the Swadeshi days in Bengal. That

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unhappy province of Bengal has always been in the forefront of every nationalist movement and it has been its lot to suffer for the same. Taking advantage of the sentiment of patriotism that pervaded from one end of the province to the other, the Bombay millowners raised the prices of Swadeshi cloths to such an extent that they earned a dividend of 100 per cent. and even 200 per cent. at that time. This is a historical fact and I think no one in this House will dispute the correctness of my allegation. That also shows the patriotism which inspires these Bombay cotton mill-owners. Sir, here they have been asking for protection for a handful of shareholders forgetting the interests of the teeming millions of the people from whose pockets the money will come, specially in this time of agricultural distress. I need hardly say that 85 per cent. of the population of India directly or indirectly lives upon the products of agriculture. In Bengal, paddy was being sold formerly at the rate of Rs. 4 per maund, and what is the price of paddy at the present moment? Only Rs. 1-4-0 and, even for that, you hardly get any purchasers.

An Honourable Member : In some areas it is 12 annas per maund.

Mr. Amar Nath Dutt : Yes, I read in the papers that in some places the prices were like that. Sir, you will excuse me if I place before the House what the poor agriculturists get by cultivating (say) 20 bighas of land which is about six or seven acres. For these 20 bighas, he has to pay a rent of at least 25 or 30 rupees, he has to purchase oil cakes for his cattle and manure for his field and this would cost him at least Rs. 80 to Rs. 100 a year. I know intimately the condition of rural Bengal and, therefore, I am giving all these details. A poor cultivator's family generally consists of husband and wife, an aged mother and two children, and if he has to grow paddy on these 20 bighas of land which, in the average, yields 5 maunds per bigha, that means he gets only 100 maunds of paddy. He himself labours in the fields, his wife labours in other houses and catches fish from tanks and his small boy probably tends the cattle and carries his tiffin to the fields. All these people have to work and, in spite of this, he does not get even half a seer of rice for each of the heads in his family, because he has to spend more than Rs. 100 for his rent and cattle and manure, etc. Besides that, he has to purchase cloth and other things. These 100 maunds of paddy will not sell for more than Rs. 125 and he cannot sell the whole of the yields of his field, for the consumption of his own family will be about 60 or 70 maunds, and he can hardly meet his other expenses with the 30 or 40 maunds that remain? And so actually he goes starving. I am not drawing this from imagination, but anybody, who cares to go with me to any village in Bengal, will be convinced of the truth of my statement that they do not get a full meal every day. If that be the condition of the villagers, it is up to any Government, and, more so, to a civilised Government, to see how this agricultural distress can be removed. Has a little finger been raised up till now? This House may remember the fate of my Resolution about three years back when we were assured by Government that they got reports from the Provincial Governments, and what more could they do? Yes, you cannot do anything for these teeming millions of the country, because you are well fed, well clothed, and you have your dinners and lunches and banquets at the Cecil Hotel. You cannot think of these poor agriculturists, but a time will come

when, if these poor agricultural people are wiped out,—and I say this in the interest of every Member of this House,—you will find that you also will have to go without food. The same thing may happen which has happened in France, and in Russia. For what is at the root of the revolutions in those countries? It is the distress of the poor people. But if you really want to improve the condition of the country, your activities should not be directed towards the amelioration of the condition of these millowners, but of the ill-paid labourers of the soil, and that ought to be the primary concern and duty of every civilised Government. In this connection, I may also point out to one cottage industry which the Honourable the Commerce Member will be pleased to take note of. I am told—and I think the Honourable the Commerce Member will not deny—that there has been some recommendation in the Tariff Board Report about the preservation of the hosiery industry; and, up till now, not a little finger has been raised in order to preserve this cottage industry: when we have got a nationalist patriot as Commerce Member, I expect that he will do all that lies in his power in order to protect this cottage industry, I mean hosiery. Far more important than this is my friend's "Khaddar". I am not enamoured of the word "Khaddar": in my province that word was not used formerly. But, be that as it may, this coarse cloth, hand-spun and handwoven, which wraps the body of the poor agricultural labourer, needs more protection than the fine cloth which many of my Honourable friends here wear; and I would have been the first man to support this Bill and to give the cotton millowners of Bombay protection even at a sacrifice if I had known that they are agreed to protect our cottage industries....

Mr. H. P. Mody: We are.

Mr. Amar Nath Dutt: My Honourable friend says "We are"; but the report which was read to us by my Honourable friend, Mr. Gaya Prasad Singh, the other day, leads me to believe that probably it is otherwise, unless by this time he has changed colour. Be that as it may, I appeal to the Government that they should first devise means to give relief to the agricultural population. Next, in their list, ought to come relief for these cottage industries, especially hosiery, about which, I think, the Tariff Board recommends and which I think the Honourable the Commerce Member will admit. But why is the Report of the Tariff Board not being published? Is it to keep us in the dark about their recommendation? It were better if the Government had taken courage in both hands and come before this House and first legislated for the protection of these cottage industries and afterwards introduced this Bill. But if the Government think that, by helping a few cotton millowners, their position will be more secure than by helping the masses of the poorer people, I have no quarrel with them; but I will only invite them to read the lessons of history, whether in any country the bourgeois population has ever been able to keep up the administration against the onslaughts of the proletariat. If you want to save the country where such ideas are not at all favoured, I mean the Soviet ideals, you ought to first of all try and give the people a full meal a day, and also cloth to wrap their bodies both in winter and during rain. If you do this, you secure this country from the invasion of those outlandish ideas of Karl Marx and other prophets of Europe. If you want to keep away communism, if you want to make the administration safe, that is the only way in which you can do it. If you shut your eyes to these things, I think you are not doing your duty towards this great

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country, because this country has never favoured those outlandish ideas of communism and sovietism. But, quite in desperation, these people may be driven to accept these ideas, and then the Bombay millowners will not be able to help you. I am not uttering any idle threat. It is in the very interests of Government and of every one of us here that I do say that you should relieve the distressed agriculturists, that you should see that they have at least proper food and cloth, and then you can give as many luxuries as you can to the cotton magnates of Bombay and elsewhere ; but I would appeal also to the cotton magnates of Bombay, through you, Sir, to be a little more economical than they have been in the past. They have not been running their business in the most economical way possible, and, in support of my statement, I can do no better than again refer to the book to which I referred before. The managing agency system about which my friend Mr. Thampan spoke is one of the weaknesses....

Mr. N. M. Joshi (Nominated Non-Official) : It has gone out of Bombay, but it still exists in Ahmedabad.

Mr. Amar Nath Dutt : It has been said that the managing agency system is a family business :

“ In some instances in Bombay but in nearly all instances at Ahmedabad, the membership or partnership of the managing agency is limited to the members of the family or at best to a narrow circle of friends and relatives, while succession to the vacant places is determined by heredity. The institution has, therefore, all the defects of a hereditary system.”

It will be well for me if I place before this House, without further speaking on these matters (“ Here, hear ” from the Government Benches)—I think, if you will patiently listen to, you will find something very cogent.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member will address the Chair.

Mr. Amar Nath Dutt : Yes, Sir. Through you, Sir, I address those Benches. A survey of the development of the cotton mill industry of India from the middle of the 19th century down to the present time and an examination of its conditions in recent years point to certain broad conclusions which may be summarised as follows :

“ (a) That throughout the whole course of its history, the industry has registered steady, continuous and, sometimes, even marked, progress.

(b) That up to 1921-22, the import duty, being either altogether non-existent or very nominal, played little part in promoting that development.

(c) That both the spinning and the weaving branches of the industry had been able to capture a substantial and increasing share of the home market before obtaining the differential advantage under the tariffs of 1921-22 and 1930-31.

(d) That the steady expansion of output and the predominant position in the home market continued during the general trade depression that had set in in 1922-23, and that the comparative data regarding output and imports in recent years do not show in any way that the progress of the Indian industry was being hampered by any unusually severe foreign competition.

(e) That considering the severe world-wide and prolonged nature of the depression in trade and industry, the financial condition of the efficiently managed mills has been fairly good in recent years and hardly called for support at the expense of the taxpayers.

(f) That the critical financial condition of a great many of the Bombay mills and some of the upcountry mills is due to incompetence ”,

—here I would draw the attention, through you, Sir, of my friend, Mr. Mody, to this—

“that the critical financial condition of a great many of the Bombay mills and some of the upcountry mills is due to incompetence, inflation of capital, extravagant dividend payment, grave labour unrest”,

—and here I would draw the attention, through you, Sir, of my friend Mr. Joshi,—

“inelastic wage-rates”,

—which, I think, my friend, Mr. Joshi, will not approve,—

“and serious, and sometimes fatal, defects in the institution of managing agency, which practically controls the cotton industry in Bombay and elsewhere.

(g) That the financial difficulties of the weaker and comparatively inefficient mills are due in a great measure to the existence of keen and growing competition within the country, and much less to the severity of foreign competition.

(h) The high revenue tariff of 1921-22 has already enabled the millowners of India to levy a considerable tribute from the consumers of cotton cloth in the country.”

Sir, my friend, Mr. Mody, and people of his kind have already taken a considerable tribute from the consumers of cotton cloth in our country :

“We also saw that the Government of India by abolishing the cotton excise duty in 1925 had sacrificed an appreciable amount of legitimate revenue in order to enable the cotton manufacturers to still further increase their gains at the cost of the general taxpayers.”

The Honourable the Finance Minister, whom I do not see here now, will please take note of this fact that whenever he has a deficit Budget, he can always see that this is one of the contributory causes since the year 1925 of a deficit Budget, because this country has submitted itself to additional taxation, to lowering of the assessable limit of income-taxes, and imposition of surcharges which, we are assured, will not last after March, 1933,—the higher postage rate and many other things the Finance Member had to impose which the country was hardly able to bear :

“The analysis of the financial condition of a large number of mills in the period 1926-28 will show that a considerable group of well-managed mills upcountry and a somewhat smaller group in Bombay were able, in spite of the prevailing conditions of general depression, to pay reasonable dividends to their shareholders.”

Here I would ask, through you, Sir, my friend, Mr. Mody, to take note of this, that a considerable group of well managed mills upcountry and a somewhat smaller group in Bombay were able, in spite of the prevailing conditions of general depression, to pay reasonable dividends to their shareholders:

“On the other hand, our examination of the present condition of the cotton mill industry as a whole in Bombay enabled us to see that the financial crisis of a large number of mills there was due to grave defects in organization, financial mismanagement.....”

—I again through you, Sir, request Mr. Mody to take note of this—

“grave defects in organization, financial mismanagement and disturbed industrial relations, leading to higher costs of production, on account of which Bombay mills were increasingly unable to hold their own against the severe and growing competition of upcountry mills.”

So, Sir, it is the competition between the upcountry mills and Bombay mills that has to be taken into account here :

“These facts would make it clear that, if the Bombay mill owners had thoroughly re-organized and reconditioned the industry as a whole so as to bring it up to the level of the most efficient units in Bombay as well as upcountry, they would not have required

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the artificial assistance from the general consuming public over and above what had been already secured to them by the high revenue tariff. The Government of India, thoroughly cognisant of these basic facts, rightly refused the aid of the protective tariff to the cotton industry for three years, 1927-1930. But partly due to the persistent and vigorous propaganda carried on by the Bombay Millowners' Association"—

—we have ample evidence here—

“partly on account of the bad state of their own finances, and partly also with a desire to rally the business community to the support of Government in a period of grave political unrest, they had at last to enact the Cotton Industry (Protection) Act of 1930.”

Sir, this is nothing but coercion, that has been practised by the Bombay millowners upon a weak and effeminate Government. In fact, Sir, if I had charge of any of the portfolios, I would have refused to be dictated by the Bombay millowners.

An Honourable Member : Thank God, you are not in charge of any of the portfolios.

Mr. Amar Nath Dutt : But I may be one day. (Laughter.)

“Under these circumstances, naturally, very scanty consideration was given either to the merits of the case or to the interests of the consumers, on whom a considerable burden of taxation was placed under that Act.”

Here I ask my friend, the Commerce Member, to take note of this that the interests of the consumers in this matter,—and the consumers number about 400 millions of people,—the interests of the consumers ought to have been the primary concern of the Government than the interests of half a dozen Bombay millowners.

Sir, I think I have said all I need say in this matter and if I have taken a little longer time in saying what was uppermost in my mind, *viz.*, that the Honourable the Commerce Member should kindly see that the poor agriculturists do not suffer, and their distressed condition is ameliorated before he comes up with a Bill like this. Of course, I know that the life of this Bill is only till March, 1934. But, Sir, in the meantime, the hosiery industry is going to be killed.

3 P.M.

Let my Honourable friend take up this matter with the same alacrity as he does in the case of the Bombay millowners. An Honourable Member here suggests aluminium industry also. I beg to submit, in general, cottage industry, and my Honourable friend's “Khadi” or “Khaddar”—these two things should be given relief by the Commerce Member before he can think of giving relief to the millowners of Bombay. I have no objection to the millowners getting relief. Instead of getting a few crores, let them get a hundred crores : I do not mind. But I appeal to the Commerce Member and to the Members of the Government generally that it is imperative that they should take note of the distressed condition of the masses of the country and give relief to them before wasting their time on such small matters like this which would not bring relief to the people of this country. I appeal with all the earnestness at my command, and sincerity, as my Honourable friend says, that they should take steps to give some relief to the taxpayers of India by a reduction of income-tax, by lowering the postage rates, and by making a remission of rent or land revenue, whatever it is, before they think of giving relief to the millowners of Bombay. With these words, I resume my seat.

Some Honourable Members : Let the question be now put.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That the question be now put.”

The motion was adopted.

The Honourable Sir Joseph Bhoze : The debate has been so discursive that I am afraid I shall find it somewhat difficult to prevent my reply from being also discursive in sympathy with it.

My Honourable and democratic friend, Mr. B. Das, was a little more difficult to follow than usual in this matter. I could not understand whether his best friends were the millowners, or labour, or those *hrijans* among whom he works when he is in his cottage in Orissa and when he is not in London or on the floor of this House discharging his public duties. (Laughter.) He blew hot and cold and lukewarm, all in the same breath. At one moment he was breathing fire and slaughter against Japan ; in the next, he was shivering with fright at the possibility of retaliation. (Laughter.) At one moment he charged me with being in the pocket of my Honourable friend, Mr. Mody, and at the next he complained that I did not yield to the demands of, I think he called them, the friends of the Bombay capitalists, and publish the Tariff Board's Report. Sir, his inconsistencies do not end there. My Honourable friend charged us with having destroyed the hand loom industry. When I cast my glance across the floor of the House, what do I see ? I see this champion of the hand loom industry clad in the products of the mills which he was so fiercely denouncing. (Laughter.) My Honourable and truly democratic friend claimed to be the representative of a constituency which comprised, I think he first said, 365 millions—one million for each day of the year—but he went on to say that it was not vociferous. Not vociferous ! And my Honourable friend, the representative of that constituency in this House ! He does himself less than justice. But, Sir, I would ask my Honourable friend whether he or any one else in this House seriously contends or thinks that the removal of these textile duties would help the hand loom weaver ? However, I will not continue with my Honourable friend, Mr. B. Das, because I have known him for many years and I know that his bark is far worse than his bite.

Mr. B. Das : The removal of the protective duty on cotton yarn will help the hand loom industry.

The Honourable Sir Joseph Bhoze : As far as I followed the trend of the debate, there seem to me to be three important questions which demand comment from me. The first of these is, I think, the demand for the publication of the Tariff Board's Report. I must express some surprise that the position of the Government has been so misunderstood in this matter. I ought to say that in not publishing the report we are merely following our normal practice and procedure. Except in one case to which I shall refer, we have always withheld a Tariff Board Report until we have been in a position to publish our considered conclusions on the Report. Either the publication of the Report has been simultaneous with the publication of a Resolution giving the conclusions of the Government on the Report, or the publication has preceded by a few days only the actual introduction of legislation into this House. The one case to which I referred is the case of the Sugar Report. But that even is not an exception, because, in that particular case, we actually imposed the duties recommended by the Report as a revenue measure long before the report was

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published. I, therefore, submit that in this instance we are merely following our invariable practice and procedure, a practice and procedure which I submit is founded on very good and sound reasons. The onus, I submit, is upon those who contend that there should be a departure from this sound and well established practice ; the onus is upon them to advance sound and sufficient reasons for such departure. The House will, I hope, bear with me when I say that not a single Member of this House has put forward any strong reasons why that practice should be departed from. I would, however, like to say that in this matter Government are not hide-bound. If good and sufficient reasons are shown why they should depart from this practice, if they are convinced that in this particular case there are special reasons why they should not adhere to that practice, Government will certainly re-examine their position. But, Sir, I think the House may perfectly legitimately take up this position. It may say, " You are now coming before this House and asking us to extend for a few months the application of the principle of protection. Is it fair to expect us to come to a conclusion without even indicating to us what the recommendation of the Tariff Board is in respect of this particular matter ? " That, I think, is a perfectly legitimate position to take. And if it will help and assist Honourable Members in coming to a conclusion, I have no objection to telling them that the Tariff Board has recommended the continuance of the principle of protection in this case. (Cheers.)

Now, Sir, the second point to which I should like to refer has reference to the claims which have been advanced on behalf of labour for equal consideration. My Honourable friend, Mr. Joshi, like Oliver Twist is always asking for more, but I should have liked to have heard from his lips some acknowledgment of the stream of beneficent labour legislation which is proceeding from the Department of my Honourable colleague, Sir Frank Noyce. I do feel that it is wholly unfair to say that the claims of labour have not been receiving generous consideration. But I would like to say this, that Government do expect wholehearted co-operation from employers of labour in seeing that their intentions in regard to labour are carried out in practice. Particularly do they expect this from those industries which are receiving protection from the State and I would ask them to bear this point particularly in mind. The third point to which I now refer is an old point, *viz.*, the case of the consumer. I do not want to weary the House at this stage of the debate with an array of facts and figures, but I would like to remove, if I possibly could, all honest apprehensions which may arise from the level of our existing duties. I would like to take just one or two instances and try and satisfy the House that these enhancements of duty have really not resulted in the imposition of any serious burden upon the consumer. Let me take one or two typical lines of Japanese imports into Bombay and compare the prices in April 1931, April 1932 and July 1933. The first instance I take is that of grey shirting, No. 5151, which is a standard line. A piece of 38 yards cost in April 1931 Rs. 7-14-0, in April 1932 the price was Rs. 7-13-7 and in July 1933 it stood at Rs. 7-4-0. Take another instance, white shirting, No. 800. A piece of 42 yards cost in April 1931 Rs. 11-14-6, in April 1932 Rs. 11-9-7 and in July 1933 Rs. 10-11-0. But I think in fairness to the House I should also give the prices of certain standard commodities over the same period. I have had these prices calculated in terms of percentages, taking the prices of April 1931 as a base line and fixing these at 100. In the case of the

grey shirting I have referred to, 5151, in April 1931 the figure was 100. In April 1932 it had fallen to 99.7 and in June 1933 (I take June, because the wholesale prices in Calcutta are only available up to the end of June) it was 91.5. White shirting, 800, to which I have referred, was 100 in April 1931, it was 97.4 in April 1932 and in June 1933 it was 87.3. Let me turn to raw cotton. Raw cotton was 100 in April 1931, in April 1932 it had risen to 107.2 and in June 1933 it was 104.8. Cereals in April 1931—100, in April 1932, 83.5 and in June 1933, 87.3. Pulses 100 in April 1931, 98.8 in April 1932, and 101.2 in January 1933.

Mr. K. P. Thampan : What about the price of paddy ?

The Honourable Sir Joseph Bhore : I have taken the average of all cereals and I refer to the wholesale prices in Calcutta. I hope, Sir, that the House will derive some reassurance from the figures that I have given and that they will not be stampeded by vague and alarming generalisations. I had hoped that I would have had the entire concurrence of the House in the procedure which we are adopting in this Bill. I had hoped that Honourable Members would realise that it was not only wise, but necessary for us to mark time until we were in a position to know the character and strength of the forces which we had to deal with. It is no use disguising the fact that competition from Japan is by far the most important factor that we must take into account in considering the problem of the protection of the cotton textile industry. The negotiations before us might have a profound effect upon that factor and surely, Sir, it is only common sense for us to hold our hand until the position is clarified and until we know the exact nature of the emergency that we have to provide against. Sir, there is nothing more that I should like to say. I had hoped that as suggested by my Honourable friend, Mr. Hoon, with these developments facing us we would close up our ranks, we would set aside our differences and we would for once at any rate abandon that tradition of disunion to which we seem to cling so tenaciously. I will not abandon that hope until you, Sir, have put the question to the House.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That the Bill further to amend the Cotton Textile Industry (Protection) Act, 1931, be taken into consideration.”

The motion was adopted.

Clause 2, clause 1, the Title and the Preamble were added to the Bill.

The Honourable Sir Joseph Bhore : Sir, I move that the Bill be passed.

The motion was adopted.

THE INDIAN STATES (PROTECTION) BILL.

The Honourable Sir Harry Haig (Home Member) : Sir, I rise to move :

“ That the Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations, be referred to a Select Committee consisting of Mr. B. Sitaramaraju, Rao Bahadur B. L. Patil, Mr. Uppu Saheb Bahadur, Mr. Ranga Iyer, Mr. S. G. Jog, Sardar Harbans Singh, Mr. B. R. Furi, Rao Bahadur M. C. Rajah, Captain Sher Muhammad Khan, Mr. F. E. James, Mr. B. J. G'ancy, Sardar Nihal Singh, Rai Bahadur S. C. Mukherjee and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

Mr. D. K. Lahiri Chaudhury (Bengal : Landholders) : Sir, I rise to a point of order on two grounds. In the first place, the Bill is drafted to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations. My submission on this point is that this Legislature is not empowered by the Government of India Act to pass any legislation to this effect, because this Bill is drafted to protect the administration of Indian States which are outside British India. Section 65 of the Government of India Act says :

“ The Indian legislature has power to make laws for all persons, for all courts, and for all places and things, within British India.”

But this legislation is going to be enacted for the protection of Administrations which are beyond British India. In the second place, clause 2 of the Bill says that the jurisdiction of India is not only confined to British India, but that the word “ India ” denotes British India, together with the territories of any Indian Prince or Chief under the suzerainty of the Queen exercised through the Governor General of India or through any Governor or other officer subordinate to the Governor General of India”. Therefore, I think that this measure, if passed, will be *ultra vires* of this Legislature on the ground that its jurisdiction is not only confined to India, but extends to parts which are beyond British India. Those are my points of order, Sir.

The Honourable Sir Harry Haig : Sir, I think the answer to my Honourable friend's point of order is a very simple one. He has, I think, been misled by the words in the preamble to the Bill which state the object of the Bill, namely, to protect the Administrations of the Indian States, but the law which is to be amended and the action which is to be taken is the law of British India and action within British India. It is not proposed by this legislation to take any powers which can be exercised outside British India. I would like to call your attention, if I may, to a somewhat parallel section which is already in existence, namely, section 125 of the Indian Penal Code, which penalises the waging of war against the Government of any Asiatic Power in alliance or at peace with the Queen. I submit that is a complete parallel.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Mr. Lahiri Chaudhury has drawn the attention of the Chair to the Title and Preamble to the Bill which set forth the object of this enactment. The Honourable the Home Member has pointed out that the jurisdiction of this Bill is meant to be confined to the territories of British India. Is that correct ?

The Honourable Sir Harry Haig : Yes, Sir.

Mr. President : If that is so, this Legislature is empowered, under section 65 of the Government of India Act, to make laws “ for all persons, for all Courts, and for all places and things, within British India ”. What exactly is the scope of clause 2 of the Bill ?

The Honourable Sir Lanclot Graham (Secretary, Legislative Department) : The exact position is that we are trying to protect the Administrations of Indian States, and the protection is to be exercised in British India.

Mr. President (The Honourable Sir Shanmukham Chetty) : Clause 2, therefore, defines the persons intended to be protected by this Bill, but the actual act of protection will take place within the British Indian territory. Under such circumstances, the Bill is in order.

The Honourable Sir Harry Haig : Sir, I trust that no prejudice will be created against this Bill by the fact that it is brought before the House by the Home Member with all his sins upon him. It is obviously right that the Bill should be introduced by the Home Department for, as I have mentioned just now in reference to the point of order that was taken, we are dealing with the amendment of the criminal law of British India, and, though our object is through the exercise of that law to prevent interference with the administration of Indian States, primarily and essentially this is a question of the criminal law of British India. At the same time, Sir, I wish to make it very clear that this Bill has the strong support of the Political Department and the yet unblemished reputation of my Honourable friend, the Political Secretary, who, I hope, at a later stage of the debate will be able to take part and to supplement the deficiencies in my own presentation of the case.

Now, Sir, before I proceed to the provisions of the Bill, in view of the various amendments that appear on the Order Paper, it may be convenient if I mention the time programme which the Government have in their mind. We have no desire or intention to rush this Bill through the House (Hear, Hear) or to endeavour to get a decision on this Bill in the course of the present Session. That is emphatically not our intention. We realise that this is a matter that requires careful consideration and full discussion. At the same time, we feel that the decision ought not to be postponed unreasonably and we hope to secure the decision and the final passing of the Bill, if the House agrees, in the course of the January or Budget Session. The programme that we would suggest for the consideration of the House is this. If the House will agree to the motion which I have proposed for setting up a Select Committee, that Select Committee should meet during the next Session in Delhi, the special Session in November and December and should present its report then, and the consideration stage of the Bill should be taken up as early as possible in the January Session so that if feasible we should get it out of the way before we become immersed in the budget discussion.

Now, Sir, what does the Bill seek to do? If I were asked to put it in one sentence, I would say that, broadly speaking, it seeks to extend to the Indian States the same measure of protection from activities directed from British India against their Administrations as the Governments of British India already enjoy. To those, who think of India as a whole, I do not think that proposition would require much argument. Geographically, India is a whole. The Indian States and British India are inextricably intermingled. No great geographical barriers, no racial distribution really separates the States from British India. We pass imperceptibly from one to the other. For good or for ill, Sir, the Indian States are part and parcel of India. Now, realising that, I do not think it requires much argument to show that the various Governments that exist in India—Governments certainly of widely different types, for the general type in the Indian States is quite different to that in British India and there are wide differences among the States themselves—these various Governments in India, however much

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they may differ in form, so long as they remain the Governments established by law and by constitutional right, so long it is necessary in the interests of the country as a whole, in the interests of the general stability of India as a whole, that those Governments should receive the support which they require to protect them against attempts to subvert or interfere with them. Within its own territories, a Government can be trusted to protect itself. We, in British India, have done with the assistance of this House what we can to protect ourselves.

Mr. H. P. Mody (Bombay Millowners' Association : Indian Commerce) : May I ask my Honourable friend if this Bill is solely intended to deal with activities directed against Indian States from British India ? One of the clauses does not bear that out.

The Honourable Sir Harry Haig : I hope my Honourable friend will raise that point later on. That is the object of the Bill. As I was saying, Sir, within its own territories a Government can be expected to protect itself. But its authority does not extend outside its own territories and if in a country like India activities can be organised and directed against a State from outside its own territories, we might be faced with very serious conditions of unrest and instability. We have thus inevitably accepted the principle of the reciprocal obligation of British India and the Indian States to prevent unreasonable, or I will say, unconstitutional agitation against the Government. If an agitation is directed against British India from a State territory, we expect the State to do what it can to put a stop to it, and, in the same way, if unconstitutional activity is directed against a State from British India, the States can reasonably demand that we should do what we can to put a stop to it. In the past our powers have not always been adequate to fulfil that obligation, and it is for the purpose of making them adequate that this Bill is placed before the House. Now, Sir, I recognise that many, who will admit that proposition in the abstract, may hesitate to apply it to the protection of the Governments of the Indian States, because they argue on these lines ; and let me make it clear that I am using their words and not necessarily accepting their generalisations. They will argue that conditions in some of the States are not what they should be, that it is difficult within the States to organise constitutional movements for reform or for ventilating their grievances and that, consequently, if grievances are to be ventilated, if movements for reform are to be initiated, they can only be initiated outside the borders of the State, that is to say, in British India. That, I think, is the argument that is very commonly employed. Well, Sir, as I say I must not be taken as accepting that generalisation as necessarily accurate, but supposing we do accept that as accurate, I still say that this Bill does not interfere, and is not aimed at interfering, with any legitimate activities carried on in British India. It is aimed solely at unconstitutional activities directed against the States. What are the activities that we deal with in this Bill ? So far as press comments are concerned, we are not penalising comments expressing disapprobation of the measures of a Government with a view to obtaining their alteration by lawful means. There is a definite provision which makes that clear. We are only penalising those comments which are directed to bringing the administration into hatred or contempt, or exciting disaffection towards it. Then, again, Sir, we penalise conspiracy to over-

awe the Administration of a State by criminal force or show of criminal force.

Mr. H. P. Mody : Conspiracy in British India.

The Honourable Sir Harry Haig : That surely is an unlawful activity. Then we take steps to prevent, if necessary, the formation in British India of bodies of men, known as *jathas*, whose object is to enter the States and interfere with the Administration there, and finally we take a general power to prevent agitation within British India with the object of interference with the Administration of the State or of causing disturbance of public tranquillity within a State. These, Sir, I claim, are all unconstitutional actions and the States have a right to ask for protection against such activities directed against them from British Indian territory. But there is nothing here to prevent the ventilation of genuine grievances, putting forward proposals for reform, the whole range of activities comprised in the word "constitutional". It may further be said that there may be in certain States misgovernment of a scandalous and intolerable kind which justifies and demands interference from outside. Well, Sir, if those conditions arise, my answer is that we cannot allow such interference to be organised by irresponsible people in British India. There is a constitutional way of effecting that interference ; it can be done by the action of the Paramount Power, recognised by constitutional practice. That is something very different from the direct action of organising *jathas* of people from British India to invade the Indian States.

Now, Sir, it is, I think, the recognised practice of this House to refrain from commenting on the cases of individual States. I propose to observe that rule myself and I trust that Honourable Members will also observe it. But I think that in general the House knows that if conditions of serious misgovernment do arise, the Paramount Power does take action.

Now, Sir, with regard to the necessity of the particular powers proposed, I will take first of all the press provisions. There is, as Honourable Members are aware, already in existence an Act known as the Indian States (Protection against Disaffection) Act which was passed in 1922. (*Mr. B. Das :* "Certified, not passed.") This provides in respect of the written word protection similar to that given in our ordinary criminal law by section 124A of the Indian Penal Code, namely, the section that deals with sedition. What we propose by this Bill is to provide the protection given by the Indian Press Act of 1931 as amended by the Criminal Law Amendment Act of last year. Sir, this protection that we propose to extend to the Indian States is not without precedent. I would recall to the House that in fact it was enjoyed by the States for a period of about 12 years from 1910 to 1922, while the old Press Act was in existence ; for that old Press Act of 1910 applied to attacks on the Governments of the States just as it applied to attacks on the Governments of British India. In 1922, the Press Act was repealed for reasons connected with the internal conditions in India. A new constitution had just been introduced and it was thought,—and I do not deny that there were good grounds for thinking,—that in a different atmosphere the attitude of the press would change. Well, Sir, owing to that the States lost in 1922 the protection which they had enjoyed since 1910, but it was thought essential that they should keep

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be built. What we are asking the House to do is not to protect or stereotype misgovernment, but to acknowledge the fact that there are forms of Government other than democratic which are worthy of respect and that when we find these forms of Government existing in our midst, deeply rooted in tradition, in sentiment and in the facts of history, we should frankly accept them and admit that they, like other Governments, can claim to be protected against attempts to subvert them or to bring them into hatred and contempt. We cannot erect our Federation on a basis of intolerance and distrust, and I hope that the House, by its attitude towards this Bill, will show that that is not the spirit in which it approaches the question of our obligations towards the States. (Cheers.)

Mr. President (The Honourable Sir Shanmukham Chetty) : Motion moved :

“ That the Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations, be referred to a Select Committee consisting of Mr. B. Sitaramaraju, Rao Bahadur B. L. Patil, Mr. Uppi Saheb Bahadur, Mr. Ranga Iyer, Mr. S. G. Jog, Sardar Harbans Singh, Mr. B. R. Puri, Rao Bahadur M. C. Rajah, Captain Sher Muhammad Khan, Mr. F. E. James, Mr. B. J. Glancy, Sardar Nihal Singh, Rai Bahadur S. C. Mukherjee and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.”

Mr. H. P. Mody : Sir, I have not risen to offer any observations on the Bill, but I want to clear a doubt which has arisen in my mind with regard to the legality of some of the provisions which appear in this Bill. My friend told me in reply to my inquiry that this Bill was intended to deal solely with activities conducted in British India against the Indian States. Now, clause 3 of this Bill says :

“ In section 121A of the Indian Penal Code, after the words ‘ or any Local Government ’, the words ‘ or the Administration of any State in India ’ shall be inserted.”

I want to examine and see how this affects the existing section, section 121A. As I read it, it makes it penal for any one who is a subject of British India or of an Indian State to conspire against the Government of British India, whether a Local Government or the Imperial Government. If he conspires against the Government of British India, he is liable to certain punishment ! The addition sought to be made to that section by this Bill would create the position that “ whoever within or without British India conspires against the Government of India or any Local Government or against the Government of a Native State, is liable to punishment”. In other words, Sir, the British Courts will be competent to deal with offences of conspiracy committed by a resident of an Indian State against the administration of that State, and I want to ask my friend whether that is the correct interpretation of the clause. My submission is that clause 3 seeks to interpolate into section 121A an addition to the armoury of the law which makes it possible for a British Court to deal with offences committed against the Administration of an Indian State in the State itself. That is my point.

Mr. President (The Honourable Sir Shanmukham Chetty) : That point has to be cleared up.

The Honourable Sir Harry Haig : I think the intention of the Bill undoubtedly is to deal with conspiracies within British India directed against Indian States, and not to go beyond that.

Mr. H. P. Mody : But the clause seems to me at any rate to go much beyond that.

The Honourable Sir Harry Haig : If the clause does go beyond that, it is always possible to amend it in Select Committee.

Mr. H. P. Mody : But is it ?

The Honourable Sir Harry Haig : That is a point for Select Committee.

Mr. President (The Honourable Sir Shanmukham Chetty) : Does the Chair understand the Honourable the Home Member to say that the clause goes beyond the intention of the Government and has to be rectified in the Select Committee ?

The Honourable Sir Harry Haig : The intention of Government, Sir, is certainly to deal with activities within British India, and if in fact the wording of the Bill extends to activities outside British India, we shall certainly be prepared in Select Committee to make the necessary amendment.

Mr. President (The Honourable Sir Shanmukham Chetty) : It is understood the Honourable the Home Member concedes the point raised by Mr. Mody that clause 3, as it is drafted at present, would bring within the scope of this Bill offences committed against the Indian States within the territory of those States, because the operative part of section 121A, as amended by clause 3 of the Bill, will read as follows :

“Whoever, within or without British India, conspires to overawe, by means of criminal force or the show of criminal force, the Government of India or the Local Government or the Administration of any State in India”,

shall be punished, etc. That will be the operative portion of section 121A.

The Honourable Sir Harry Haig : Yes, Sir. If the words “without British India” are held to cover the amendment which we propose to make, then, in that case, it goes beyond our intention.

Mr. President (The Honourable Sir Shanmukham Chetty) : That is a point to be rectified in Select Committee, is it not ?

Sir Lancelot Graham : The clause does not go beyond the jurisdiction of this House as comprised in section 65 of the Government of India Act ; but I understand the Honourable the Home Member to say that the intention is only to penalise offences committed in British India. The clause would appear to go beyond that, so as to make not those offences only liable to punishment. It is always open to the Member in charge of the Bill to restrict the scope of the Bill in Select Committee. There is no question of barring.

Mr. President (The Honourable Sir Shanmukham Chetty) : How is it within the jurisdiction of this House to make a law for the conduct of a subject of an Indian State, for an offence committed within the jurisdiction of that State ?

Sir Lancelot Graham : It is not. There is the section 121A of the Penal Code,—which says : “ Whoever, within or without British India ”. But if you will refer to section 4 of the Indian Penal Code, you will find that “ the provisions of this Code apply also to any offence committed by any Native Indian subject of Her Majesty in any place without and beyond British India ”; and also to “ any other British subject within the territories of any Native Prince or Chief in India ”. The extent of the Penal Code is not proposed to be extended by this Bill. The extent of the Penal Code is—whoever within or without British India conspires to commit any of the offences, etc., and “ whoever ” is governed by section 4 of the Penal Code. This, Sir, is an Amending Bill, so far as the Penal Code is concerned, and does not profess to extend the scope of the Indian Penal Code.

Mr. President (The Honourable Sir Shanmukham Chetty) : The point is, if an Act of the Indian Legislature, passed 20 years ago, had conferred on that Legislature at that time jurisdiction beyond the jurisdiction enjoyed by this Legislature, would this Legislature, by reason of that fact alone, be entitled to incorporate provisions along those lines ?

Sir Lancelot Graham : The jurisdiction of this Assembly and of the Council of State together forming the Indian Legislature was settled as far back as the first Councils’ Act,—I think it was in 1861. The Penal Code was passed after that. It was passed under an Act of Parliament which conferred on the Indian Legislature of the time the same jurisdiction which is now enjoyed by this House and the Council of State. The matter, Sir, will have to be settled by reference to the Government of India Act of the time, but actually the wording is precisely the same. Those classes which are referred to in section 4 of the Indian Penal Code are the classes of persons which are referred to in section 65 of the present Government of India Act.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : May I know, Sir, if the Honourable Member considers that the Bill, as it is before the Assembly now, is in order ?

Sir Lancelot Graham : Certainly.

Mr. President (The Honourable Sir Shanmukham Chetty) : So far as this Legislature is concerned, its jurisdiction is covered by the provisions of the Government of India Act which is in force for the time being. It may be that the Parliamentary Statute of 1861 conferred on the Indian Legislature at that time certain powers, but, in attempting to define the powers of this Legislature, the Chair has to look to the provisions of the Government of India Act which is now in force, and that is section 65, and, according to section 65 of the Government of India Act, the Indian Legislature has power to make laws for all persons, for all Courts and for all places and things within British India.

Sir Lancelot Graham : Please read clauses (b) and (c).

Mr. President (The Honourable Sir Shanmukham Chetty) : “ for all subjects of His Majesty and servants of the Crown within other parts of India ”.

Do I understand that the Honourable Member’s contention is covered by (b) ?

Sir Lancelot Graham : Please go on to (c).

Mr. President (The Honourable Sir Shanmukham Chetty) :
“ for all native Indian subjects of His Majesty, without and beyond as well as within British India ”.

That is, in other words, this Indian Legislature would, by section 65 (1) (c) of the Government of India Act, be entitled to make laws governing the conduct of subjects of Indian States.

Sir Lancelot Graham : No, Sir. In section 121A of the Indian Penal Code into which certain words are proposed to be inserted by this present Bill,—the word “ whoever ” will, of course, be restricted to the classes of persons to whom the Indian Penal Code applies. This is an amending Bill as regards this particular clause and it proposes to insert certain words in section 121A of the Indian Penal Code. That section starts with the word “ whoever ”. The word “ whoever ” in that section must be interpreted having regard to the extent provisions with which the Indian Penal Code opens. Those provisions are contained particularly in sections 1, 2, 3 and 4 of the Penal Code. This Bill does not extend the scope of the Indian Penal Code, because the scope of the Indian Penal Code is, as a matter of fact, as wide as the Government of India Act allows any legislation of the Indian Legislature to make it. All that this Bill does is to insert certain words in section 121A, but the insertion of those words does not affect in any way the class of persons to whom the Penal Code already applies.

Mr. President (The Honourable Sir Shanmukham Chetty) :
No doubt, under the provisions of the Indian Penal Code, the British Indian Courts can take note of offences committed by the subjects of Indian States.

Sir Lancelot Graham : In British India.

Mr. President (The Honourable Sir Shanmukham Chetty) :
An offence committed by the subject of an Indian State in British India can be punished by a British Indian Court according to the Indian Penal Code. In other words, the Indian Penal Code has jurisdiction over the conduct of the subjects of Indian States committed within the territory of British India.

Sir Lancelot Graham : Yes.

Mr. President (The Honourable Sir Shanmukham Chetty) :
What I want to know is this. So far as the Chair has to seek the scope of jurisdiction of this House, it cannot be governed by the provisions of an old Act of the Indian Legislature. It can only be governed by the provisions of the Government of India Act for the time being in force. And the Chair would like to ask this question. Leave alone the present Bill which seeks to amend the Indian Penal Code. Would it be within the jurisdiction of this House, if a new Bill is brought forward, irrespective of the Penal Code, bringing within the jurisdiction of British India subjects of an Indian State for acts committed within British India ?

Sir Lancelot Graham : Most emphatically. Even a foreigner, for an offence committed in British India, is liable.

Mr. President (The Honourable Sir Shanmukham Chetty) : But this House cannot have jurisdiction over acts committed by Indian State subjects in an Indian State.

Sir Lancelot Graham : Quite correct.

Mr. President (The Honourable Sir Shanmukham Chetty) : Therefore, clause 3 of the Bill goes beyond the jurisdiction of the Indian Legislature.

Sir Lancelot Graham : With due respect, I will point out that that clause merely inserts in section 121A of the Indian Penal Code—may I first read out section 4 of the Indian Penal Code ? When section 4 is read, that gives you the clue to the interpretation of the word “ whoever ” wherever it occurs in the Act.

Mr. B. R. Puri (West Punjab : Non-Muhammadan) : On a point of order, Sir.....

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. When the Chair has asked for an explanation from an Honourable Member, no point of order ought to be raised until that explanation has been given.

Sir Lancelot Graham : As I have said, there are a great many sections, which—in fact, most of the sections of the Indian Penal Code—start off with the word “ whoever ”. We are at present concerned in clause 3 of the Bill with section 121A of the Indian Penal Code. That section starts by saying, “ Whoever, within or without British India.... ”. When we want to interpret the word “ whoever ” there, we have to look back to the extent sections of the Act. I think the question which you asked was whether the subject of an Indian State can be punished in British India for an offence committed in an Indian State. My answer to that is in the negative both under the Act of 1861 and now also it is precisely the same. All that this Bill does with regard to section 121A is to insert those words which extend the offence, which widen the offence created by section 121A, but it does not widen the class of persons who are liable to be punished under that section. The class of persons affected by that section remains precisely the same as that set out in section 4, and those persons are precisely the class of persons who are set out in section 65 of the Government of India Act. So that the class of persons who can be punished in respect of an offence under section 121A as it will stand after having been amended by clause 3 of this Bill is unchanged, and they are all within the jurisdiction of the Indian Legislature. I come back to the interpretation of the word “ whoever ” in section 121A read with section 4. This Bill does not change that and could not change that.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair would now like to know from Mr. Puri, what is his point of order.

Mr. B. R. Puri : The point of order does not arise now. I understood at that time that the Chair had given its ruling—that so far as clause 3 of the Bill was concerned, the Bill was *ultra vires* of this House.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair has not given a ruling.

Mr. B. R. Puri : I was under that impression. I am sorry.

Mr. H. P. Mody : May I make a suggestion ? This point is very important and requires further consideration and I suggest that you do not give your ruling at this stage. I am very sorry to have sprung it upon the House and upon yourself, but the point occurred to me only while the Honourable the Mover of the Bill was developing his case. If I had seen it earlier, I would have brought it to the notice of both yourself and the Home Member. But as it has been sprung upon the House and upon yourself, I suggest that it may be held over, and that you give your ruling tomorrow.

Mr. President (The Honourable Sir Shanmukham Chetty) : That was exactly what the Chair was going to suggest. The mere fact that in a Bill before the House there is one clause on which there is doubt with regard to the jurisdiction of this Legislature need not debar the House from discussing the Bill. When the time comes to put clause 3, and if the Chair is then convinced that clause 3 is *ultra vires* of the Legislature, the Chair will refuse to put the question with regard to clause 3. The Chair would like to consider it in the meantime. The discussion may now proceed on the Bill.

Dr. Ziauddin Ahmad : Is it just to refer a Bill to a Select Committee which is *ultra vires* of the Select Committee ?

Mr. President (The Honourable Sir Shanmukham Chetty) : The Bill is not *ultra vires*.

Mr. B. Das (Orissa Division : Non-Muhammadian) : Sir, I beg to move the motion standing in my name :

“ That the Bill be circulated for the purpose of eliciting opinion thereon by the 7th January, 1934.”

I am grateful to my Honourable friend, Mr. Mody, for raising a point which is in favour of my proposition, namely, circulation. At the outset, I must say that my Honourable friend, Sir Harry Haig, was a little nettled and troubled while he was delivering his speech. The soul of the Home Member of the Government of India and the soul of Sir Harry Haig, the British democrat, were fighting with each other throughout and, therefore, it was that he made that halting, apologetic speech which he delivered just now before this House.

Sir, I read in the Statement of Objects and Reasons, which my Honourable friend, Sir Harry Haig, has advanced :

“ The forthcoming constitutional changes, moreover, make it desirable that the authorities in British India should have power to protect *units of the Federation* from agitation directed against them from British India.”

But, Sir, where is the Federation ? My Honourable friend did not tell me or this House when this Federation was coming, next July or next March, and why this Bill was absolutely necessary. My Honourable friend wants this Bill to be passed in the winter Session of 1934, but can my Honourable friend the Home Member say whether Federation is coming in 1934, 1935, 1936 or 1937 or, as some say, in 1939. Then, Sir, supposing the Federation comes in, is there any guarantee that the Princes are working with us in that Federation ? My friend has got a Bureau of Information and he knows the various statements that are issued from time to time by the representatives of the Princes that visit London, either as Round Tablers or members of the Joint Select Committees. I have not yet seen one statement from any of these representatives of the Princes which says that they are willing to join the Federa-

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tion definitely. I read a statement by Sir Akbar Hydari. He says let the Constitution come into existence. Then the Princes, like the sublime Princes as they are, will examine and consider and see if they will at all join the Federation. So the Federation is a myth and I am not mincing matters. I have never welcomed the idea of the Federation on the floor of this House. I say "keep away the Princes at a distance. Start with a Federation of the British Indian Provinces". I am not concerned with the Indian Princes. This idea of Federation is not maturing. Then, why is it that the Government of India are so anxious to legislate to protect the misgovernment of these Indian Princes. My Honourable friend, the Home Member, referred to the Indian States (Protection) Act of 1922 and stated that it was passed on the floor of this House by his predecessor, Sir William Vincent, an equally persuasive man or probably a greater persuasive man than my Honourable friend, Sir Harry Haig. I must state here that I never had the privilege of meeting Sir William Vincent, although he belonged to my province. The House then consisted of liberals and moderates. There were no Swarajists in those days, no nationalists in those days, and yet the House threw out that Bill and the Viceroy had to certify it. As far as we on this side are concerned, we were not a party to that particular measure to which my friend referred.

Captain Sher Muhammad Khan Gakhar (Nominated Non-official) : Are you not a nationalist ?

Mr. B. Das : My friend asks me whether I am not a nationalist. So long as there is life in me, I shall continue to be a nationalist. My friend is a soldier. I hope he will be a national soldier and will fight for his motherland. So, Sir, this Act of 1922 is not a precedent. What does the heading of that Act say :

" An Act to prevent the dissemination, by means of books, newspapers and other documents of matter calculated to bring into hatred or contempt or to excite disaffection against Princes or Chiefs of States in India or the Governments or Administration established in such States."

Since that Act was passed, my Honourable friend knows very well that only three prosecutions have been launched. My Honourable friend, the democrat, Sir Harry Haig, since his advent as Home Member, has promulgated so many Ordinances or so many Acts, almost amounting to Ordinances. Today he wants us to give him another Ordinance in the shape of a new Bill which he has introduced. I would ask the House to read carefully what this Act aims at :

" to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations."

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. H. P. Mody, one of the Panel of Chairmen.]

I do not think that Sir William Vincent, while he was Home Member and was probably the Leader of the House at that time, thought that the Bill which he introduced and which was thrown out by this House had anything to do with suzerainty or in any way concerned with the suzerainty of His Majesty. Since the new reforms came into existence, the Government of India went on manufacturing new weapons of repression, forging new lines of cleavage between Indians and Indians and that

was proved when the Butler Committee went to inquire about the mal-administration or good administration of these Indian States. We Indians thought that the Indian States were governed as the British provinces are governed, but when the Butler Committee came into existence, it began to talk of paramountcy and suzerainty and the little Princes and the big Princes began to jump at the idea that they were allies of His Majesty the King Emperor. How can these Princes, who were conquered with Indian money, with borrowed money for which we are paying every year interest, for which my Honourable friend, Sir George Schuster, supplied a note to the Secretary of State about the financial obligations of British India, be allies of His Majesty the King Emperor? Were they not conquered with the money that was borrowed by the East India Company, the predecessors of my friend, Sir Harry Haig and Sir Joseph Blore? Was the sanction of His Majesty sought every time when they conquered some petty chiefs or factious chiefs who were creating trouble in the border of Orissa or in the border of the Punjab? Certainly not. When my Honourable friend, Mr. Glancy, will rise to speak, I hope he will search the archives of the Political Department and find out as to who was that political genius in the Political Department who conceived this idea of separating Indian States from British India and incidentally took away the power of the Government of India and put fantastic ideas into the heads of the small Princes that they were the allies of His Majesty the King Emperor?

Sir, I am not a lawyer and so I did not like to raise any point of order, but I always took that this Legislature and the Government of India were subordinate to the British Government and the British Parliament. How is it, then, that we are asked to legislate to protect the suzerainty of His Majesty the King Emperor? To me, who is a matter-of-fact man, it appears to be something bogus. Of course, everybody knows that the Federation is not coming into existence immediately; everybody also knows that the Princes are not coming into the Federation easily. Even the Political Secretary does not know what is the status of the individual Princes. Yet some fiat has gone round and a Resolution has been passed in that semi-circular Chamber in Delhi, namely, the Chamber of Princes, and here my Honourable friend, Sir Harry Haig, the Home Member, wants this Bill to go through. He says that this Bill is not for the protection of the Princes, but it is a Criminal Law Amendment Bill. As I said at the beginning, my Honourable friend was halting all the time in his speech, because his other soul always troubled him.

Sir, when my Honourable friend, the Home Member, was impressing upon us the object with which Government have introduced this Bill, he only stated that there were certain people in British India who were causing disaffection to some of these Princes or their Administrations. He also said that this Bill did not aim at nor did it take away the proper criticism of the Press against the bad administration of the States. I am sorry to say that throughout India it is only my friend, the Honourable Sir Harry Haig, and the *Statesman* of Calcutta who have understood the objects of this Bill in that fashion, but the Indian Press is apprehensive that, in the shape of this Bill, another Press Ordinance has come into existence. The screw is being tightened on the Press, and the Government of India, which is in secret alliance with the Princes of India,

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do not want that there should be any righteous criticism on the misgovernment of those Princes. I will just quote a few lines from the *Amrita Bazar Patrika*, a paper which has always stood for justice to the Princes and to the subjects of the Princes of the Indian States. It says :

“ But what about the subjects of these Indian States ? The rule that prevails in most of the States is despotic and, in very few of them, the people can be said to be happy. The people in most of the States labour under innumerable disabilities, yet they are not allowed by their rulers to speak out their grievances. Even constitutional agitation for the representation of grievances is put down with a stern hand in most of the States where no public opinion worth the name can, therefore, be expected to exist. The only pressure which Rulers in such States can be made to feel is that exercised by the public opinion in British India and it was this pressure which in the past induced the Political Department of the Government of India to take action against the mal-administration of the Princes in some States. The proposed Bill, if passed into law, will undoubtedly have the effect of preventing the press and public bodies in British India from agitating against the mal-administration in Indian States and nobody will hear the grievances of the poor victims of misrule in the Indian States.”

When the Editor of a nationalist paper like the *Amrita Bazar Patrika* writes like this, surely it does so with all the experience of an editor of a paper of long standing, of 70 years. How can I believe, with all due respect to my Honourable friend, Sir Harry Haig, that the Bill is not meant to curtail the freedom of the press in the sense that they cannot agitate about the mal-administration of the States. What does the Preamble of the Bill say ? It aims at the protection of the administration of the Indian States. So, I think my friend's contention is not correct.

I do not wish to go into details, clause by clause, of the Bill, because I want this Bill to be circulated not only to get the opinion of the Indian press and the Indian public, the Judges of the Indian High Courts and Administrators in the provinces, but I do hope that it will also be circulated to the Political Agents, the Indian States people and the various Princes that rule these Indian States. Their views should be collected. If my Honourable friend, Mr. Glancy, will concede, I wish also that this Bill be circulated to all the *ex*-Political Agents who are drawing pensions today from the exchequer of India, because their opinions will be very valuable. We know that these gentlemen, when they retire, write their views and speak things which they cannot do when they are under the control of the Political Secretary of the Government of India. So my suggestion is that this Bill be circulated also to the *ex*-Political Agents who may be now staying in Switzerland or London and other places.

I will refer the House to clause 4 of this Bill which aims at the curtailment of the freedom of the press. There it is said :

“ To bring into hatred or contempt, to exercise disaffection towards the Administration established in any State of India.”

Sir, States like Mysore and Baroda may have judicious-administrations, but we know that Indian States as a rule have no administration. It is Hitlerism *minus* the democratic spirit that controls Hitler.

How are these people ruled ? The Honourable the Home Member appealed that we should not mention the names of States. I am not going to mention any names. I am going to lay certain facts before the

House. I am going to give out what is usually held as the considered view of the public and the press in India. There are rulers in India who have no administrative machinery. There are about 600 Indian States, and some of them have only half a village to rule. Most of the Indian States are under one-man rule without any control of public opinion. In the past, the mighty bayonets of the British Army did not protect these Princes and they were then amenable to public opinion and public criticism coming from inside the State. But, as the Princes found that the mighty British Army was protecting them, they became irresponsible. They began their maladministration in their States for which the people have no remedy. The people could not revolt, because revolting against particular States was revolting against the mighty British Empire and the mighty British Government, and yet the people of the States want the protection of the British Army and the British democratic laws and they are denied all these now. When anybody writes a letter in the Indian press, or when the press criticises the administration of any State as bad, under this Bill power is given to a District Magistrate or the subordinate of a District Magistrate to deal with the press. When speaking about the press, I am reminded of the security of Rs. 10,000 demanded of the "Free Press" in Bombay as deposit by the Government of Bombay and now reported to have been confiscated. So the press of India, for which the Honourable the Home Member has no love,—I am talking of the Indian Press and not the Anglo-Indian Press,—under this new clause, the press which writes articles against an Indian State would be asked to deposit Rs. 10,000 or Rs. 20,000 for writing such articles. That will be the consequence if this Bill is passed into law. Now, I will refer to sub-clause (1) of clause 6 which reads :

".....such Magistrate may, by written order stating the material facts of the case and served in the manner provided by section 134 of the Code of Criminal Procedure, 1898, direct any person to abstain from a certain act if such Magistrate considers that such direction is likely to prevent or tends to prevent interference with the Administration of a State in India "

I am: not concerned with the subsequent sentence :

"or danger to human life or safety or a disturbance of the public tranquillity or a riot or an affray within the said State ".

I am only concerned with "to prevent or tends to prevent interference with the Administration of a State in India". Two or three years ago, I had the privilege of presiding over the Orissa State People's Conference. (Interruption.) Supposing I was going to preside over a Conference in Bombay in my Honourable friend, Sir Cowasji Jehangir's own City, just as Mr. Kelkar presided the other day over the Indian States People's Conference, to whose valuable speech I shall refer subsequently, the magistrate of the town, having been misinformed, as subordinate magistrates usually are,—they do not know and they do not understand the high policy of the Government of India, they do not understand the high principles that guide my Honourable friend, Sir Harry Haig, they think only three or four years ahead as to how to protect these Princes and how to put these Princes in cotton wool so that they may not be harmed,—the magistrate of the town may serve me with a notice ordering me that I should not preside over the Conference lest it should incite people or cause disaffection in the adminis-

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tration of a State or States. These are the two points that I, as a public man and a representative of the Indian Press, feel greatly apprehensive

Mr. Chairman (Mr. H. P. Mody) : Does the Honourable Member propose to go on for any length of time ?

Mr. B. Das : Yes, Sir, for one hour.

Mr. Chairman (Mr. H. P. Mody) : In that case the House stands adjourned till 11 o'clock tomorrow.

The Assembly then adjourned till 11 o'clock on Thursday, the 7th September, 1933.

LEGISLATIVE ASSEMBLY.

Thursday, 7th September, 1933.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

EMPLOYMENT OF COMMUNITIES INADEQUATELY REPRESENTED IN THE CENTRAL PUBLIC WORKS DEPARTMENT.

719. ***Mr. M. Maswood Ahmad :** (a) Will Government be pleased to state whether it is proposed to open two new Circles in the Central Public Works Department, Delhi, to carry out the scheme recently sanctioned by the Secretary of State for India ?

(b) Do Government propose to reserve sufficient seats for those communities who are inadequately represented in that Department, to adjust their representation in the department ?

The Honourable Sir Frank Noyce : (a) It is proposed to open only one new Circle for the purpose.

(b) The claims of all communities will be considered in making temporary appointments necessary for the formation of the new Circle.

APPOINTMENT OF MUSLIMS IN THE COMMERCIAL STATISTICS BRANCH OF THE COMMERCE DEPARTMENT.

720. ***Mr. M. Maswood Ahmad :** (a) Will Government be pleased to state whether a new branch for Commercial Statistics was opened in the Commerce Department in July, 1933 ?

(b) If the reply to part (a) be in the affirmative, how many Muslims were taken in that branch ?

The Honourable Sir Joseph Bhoré : (a) A new Branch for Statistical Research work was created on a temporary basis in July, 1933. This is a Branch of the Department of Commercial Intelligence and Statistics.

(b) The Director General of Commercial Intelligence and Statistics reports that five out of the eleven resulting vacancies have been or will be filled by Muslims.

Mr. M. Maswood Ahmad : May I know how many posts have been actually filled up till now ?

The Honourable Sir Joseph Bhoré : I cannot say how many have been actually filled. The answer that I have given refers to the new

vacancies that have occurred or will occur and I think the answer should be perfectly satisfactory from the Honourable Member's point of view.

Mr. M. Maswood Ahmad : In part (b) of the question, I asked how many Muslims were taken in that branch.

The Honourable Sir Joseph Bhore : I want to make it quite clear that the vacancies have not all been filled up till the present.

Mr. M. Maswood Ahmad : Were these vacancies advertised ?

The Honourable Sir Joseph Bhore : I cannot say ; that is a matter within the competence of the Director General himself.

Mr. M. Maswood Ahmad : I think these appointments will not be made through the Public Service Commission ?

The Honourable Sir Joseph Bhore : I do not think so ; these are minor appointments which, as I said, are within the competence of the Director General.

ALLEGED UNFAIR TREATMENT OF THE RAILWAY OFFICERS TOWARDS MUSLIM EMPLOYEES.

721. ***Mr. M. Maswood Ahmad :** (a) Is it a fact that Maulvi Muhammad Yakub, Editor, the *Light*, Lahore, addressed the Agent, North Western Railway, regarding the unfair treatment of the Railway officers towards the Muslim employees as regards their promotion, etc., as published in the *Pilot*, Amritsar, dated the 23rd July, 1933 ?

(b) If the reply to part (a) be in the affirmative, what action if any, has been taken on the allegations stated therein ?

Mr. P. R. Rau : Government have no information, but have sent a copy of the question to the Agent, North Western Railway, for any action that he may consider necessary.

Mr. M. Maswood Ahmad : Did the Honourable Member ask the Agent for information to reply to this question ?

Mr. P. R. Rau : No, Sir.

Mr. M. Maswood Ahmad : Will Government be pleased to state the reasons for that ?

Mr. P. R. Rau : Because the matter is within the competence of the Agent of the North Western Railway to settle.

Mr. M. Maswood Ahmad : Does the Honourable Member remember that it was said by the Chair some time ago that every question that is admitted is of public importance ?

Mr. P. R. Rau : Yes, Sir, I remember that.

Dr. Ziauddin Ahmad : Does the Honourable Member mean that because the matter is within the purview of the Agent of the Railway, it is no concern of the Government of India and that so it is not necessary to reply to the question ?

Mr. P. R. Rau : The position of the Government of India is that certain matters of detailed administration are left to the Agent of the North Western Railway and Government cannot, as a practical measure, insist on inquiring minutely into every detail.

Dr. Ziauddin Ahmad : Every action of Government officials must come within the purview of the Legislature, and when questions are asked for eliciting certain facts, it is immaterial whether it is within the purview of one official or the other and it is the duty of Government to supply the information.

Mr. P. R. Rau : As a commercial department, the Railway Board have to look into the probable practical value of the information that is to be obtained. And if the question refers to such matters of detail, as Government do not think it necessary for them to interfere in, they consider that it is unnecessary to obtain the information.

Dr. Ziauddin Ahmad : If Government say that it is not worth the trouble and expense, it would be a different thing. But they say that, because it is within the purview of the Agent, therefore they do not want to reply. I think it is not a correct position.

Mr. P. R. Rau : I must point out, Sir, that I have taken the necessary action on the point. I have sent a copy of this question to the Agent of the North Western Railway to look into it and remove any grievances that exist.

Mr. M. Maswood Ahmad : When Government have not seen the letter in question, how can they say that the matter was not of sufficient importance ?

Mr. P. R. Rau : If it were of sufficient importance, I am sure, the Honourable Member would have given details of it in his question.

Mr. M. Maswood Ahmad : I asked in the question about this letter which contained allegations about the unfair treatment of Railway officers towards the Muslim employees. So Government should have seen the letter to find out whether it was of public importance or not.

Mr. P. R. Rau : The question whether a particular letter has been addressed by a particular gentleman to the Agent of the North Western Railway is not, I think, a thing of sufficient importance to warrant Government making inquiries into the matter.

Mr. M. Maswood Ahmad : Did the Honourable Member notice that I made allegations against Railway officers with regard to their treatment of Muslim employees ?

Mr. P. R. Rau : If my Honourable friend had given me any facts to show that a *prima facie* case existed for an inquiry, I should have been glad to make such inquiry.

Mr. M. Maswood Ahmad : Will Government see the letter now and find out what are the grievances of the Muslim employees on the North Western Railway ?

Mr. P. R. Rau : I have not got a copy of the paper with me. If my Honourable friend will supply me with the paper or the letter I shall be glad to look into them.

Mr. S. C. Mitra : Will the Honourable Member tell us why the letter was not addressed to the Government of India if it was of such importance ?

Mr. P. R. Rau : I must ask my Honourable friend to ask the questioner.

Bhai Parma Nand : Will the Honourable Member explain what he understands by fair and unfair treatment of the whole Muslim community on the railways ?

Mr. P. R. Rau : That also is a question which Mr. Maswood Ahmad should be asked to answer.

Mr. Lalchand Navalrai : If a question is within the purview of the Agent and it is decided not properly by him and is subsequently brought to the notice of the House, may I know what is the policy of Government in such a matter ?

The Honourable Sir Joseph Bore : Sir, I think this is a question which has exercised the House for some time and, I am sure, my Honourable friend will agree that, unless matters of really vital general importance are raised, it would be wasting the time both of the House and of Government if on every petty matter we were asked to obtain the explanation of the Agent. I can assure my Honourable friends that if any really important matter is raised, the Railway Board and Government will be only too glad to look into it.

Mr. Lalchand Navalrai : My suggestion is that it should not be as we have been getting replies to our questions from the Financial Commissioner, that even important questions are being merely sent to the Agent and no report called for investigation.

The Honourable Sir Joseph Bore : Sir, so far as the answers given by the Financial Commissioner are concerned, I may make it perfectly clear to the House that no answer is given which has not my full concurrence. But I have already made it perfectly clear that, if any important question is raised, we shall certainly look into it.

SUCCESS OF A NON-MATRICULATE TEMPORARY CLERK OF THE RAILWAY BOARD'S OFFICE IN THE PUBLIC SERVICE COMMISSION STENOGRAPHERS' EXAMINATION.

722.*Mr. M. Maswood Ahmad : (a) Has the attention of Government been drawn to an article 'Public Service Commission' published in the weekly *Pilot*, Amritsar, on July 30, 1933 ?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state the conditions which led to a non-Matriculate and temporary clerk of Railway Board's office being admitted and declared successful by the Public Service Commission in the Stenographer's examination ?

The Honourable Sir Harry Haig : (a) Yes.

(b) Mr. Narayan sat for the qualifying examination for stenographers held by the Public Service Commission in 1930. No educational qualifications were prescribed for this examination, the only conditions being that candidates should have officiated in permanent posts of stenographer for

not less than 12 months in all since 1st April, 1928, and that the Heads of their Departments should be prepared to recommend them for permanent employment as stenographers if they qualified. As Mr. Narayan fulfilled these conditions, he was allowed to appear and he qualified. The allegations in the article are therefore unfounded.

Mr. M. Maswood Ahmad : Will Government be pleased to say whether it is also one of the conditions that the candidates should be from the permanent staff and should be at least under-graduates ?

The Honourable Sir Harry Haig : I have already explained that no educational qualifications were prescribed for this examination and that the conditions were that the candidates should have officiated in a permanent post of stenographer for not less than twelve months

CONTRACT FOR MUSLIM SWEETS-STALL AT AMRITSAR.

723.***Mr. M. Maswood Ahmad :** Has the attention of Government been drawn to an article " Muslim Sweets-stall at Amritsar " published in the *Weekly Pilot*, Amritsar, of 30th July, 1933 ? If so, will Government be pleased to state the name of the Muslim sweets-stall contractor at Amritsar railway station and state reasons for letting out the contract to a non-Muslim ?

Mr. P. R. Rau : Government have not seen the article referred to. The letting of such contracts is a matter for the decision of the Railway Administration, and I am sending a copy of the question to the Agent, North Western Railway, for such action as may be considered necessary.

RETRENCHMENT OF STAFF IN THE RAILWAY BOARD'S OFFICE.

724.***Mr. M. Maswood Ahmad :** (a) Has the attention of Government been drawn to an article " Railway Board " published in the *Pilot*, Amritsar, of the 6th August, 1933 ?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state whether in the light of the state of affairs depicted therein, it is proposed to retrench some more staff ?

Mr. P. R. Rau : (a) Government have not seen the article referred to.

(b) So far as I am aware, there are no proposals at present under consideration for any general retrenchment on any considerable scale

Mr. M. Maswood Ahmad : Is it a fact that a copy of the *Pilot* of the 6th August was sent for from the editor by the Railway Board ?

Mr. P. R. Rau : I do not know : I have not seen the article.

Mr. M. Maswood Ahmad : Has any other officer in the Railway Board seen that article ?

Mr. P. R. Rau : I can only say I have not been able to get that article.

Mr. M. Maswood Ahmad : I have seen the letter asking for a copy of the *Pilot* of that date and so I want to know whether this copy has actually been taken by the Railway Board or not.

Mr. P. R. Rau : Apparently it was not obtainable.

Mr. Gaya Prasad Singh : Is this question intended to advertise this particular newspaper ?

MUSLIMS AND COMPANY-MANAGED RAILWAYS.

725. **Mr. M. Maswood Ahmad :** Has the attention of Government been drawn to an article " Muslims and Company-managed Railways " published in the weekly *Pilot*, Amritsar, dated the 6th August, 1933 ? If so, will Government be pleased to state whether the facts stated therein are correct ?

Mr. P. R. Rau : In the absence of a copy of the article in question, I am not in a position to say whether the allegations made are correct or not.

Mr. M. Maswood Ahmad : Do Government propose to see if they get a copy of the paper now or day after tomorrow ?

Mr. P. R. Rau : If my Honourable friend sends me a copy of the paper, I shall see if the allegations therein are sufficiently important to warrant my making an inquiry.

ALLEGED INJUSTICE TO MUSLIMS IN THE RAILWAY MAIL SERVICE, ALLAHABAD.

726. **Mr. M. Maswood Ahmad :** Has the attention of Government been drawn to an article " Allahabad R. M. S., Grave injustice of Muslims " published in the *Pilot*, Amritsar, dated the 23rd July 1933 ? If so, will Government be pleased to state if the facts stated therein are correct ?

The Honourable Sir Frank Noyce : Government have not seen the article referred to and are therefore unable to reply to the second part of the question ; nor do they consider any inquiry necessary as the rules provide liberal opportunities for officials to represent their grievances to their official superiors should they desire to do so.

Mr. M. Maswood Ahmad : Do Government propose in future, when such questions are asked, to get a copy of the articles also sent to them ?

The Honourable Sir Frank Noyce : I think, Sir, it would be an excellent idea if Members, who refer to such articles in their questions, were to send a copy of the article with the question. The experience of my Department in this matter has been singularly unfortunate ; for some time past we have endeavoured to obtain copies of articles referred to from editors of newspapers and almost invariably we have been unable to do so.

Mr. President (The Honourable Sir Shanmukham Chetty) : The House has now experienced considerable difficulty in getting satisfactory answers from Government to questions of this nature, asking Government whether their attention has been drawn to a certain newspaper article. The Parliamentary practice is that when an Honourable Member makes a statement in a question, wherever that statement might appear, the Honourable Member personally makes himself responsible for that statement. When certain matters are brought to the notice of Government, the details of that particular matter must be mentioned in

the question also. It is with a view to shortening the question and, for the sake of convenience, that Honourable Members are permitted to frame questions in this particular manner. But the Chair would suggest that in order to enable them to get a complete answer from Government and for the convenience of every one concerned, it would be an excellent practice if Honourable Members, who refer the attention of Government to a particular newspaper article, always make it a practice to send a copy of that article to the Government along with the question.

NON-FILLING UP OF CERTAIN PERMANENT APPOINTMENTS IN THE POST OFFICES.

727. *Mr. S. G. Jog : Will Government be pleased to state :

- (a) the date on which the Director General, Posts and Telegraphs, issued instructions not to fill in any appointments in the post offices permanently, and the date on which the Postmaster General, Bombay, issued such instructions ;
- (b) whether they issued similar instructions to have effect from the 16th July, 1931 ;
- (c) whether it is a fact that the officers holding officiating appointments in the office of the Accountant General, Bombay, prior to 16th July, 1931, have been confirmed in their posts ;
- (d) whether there are officials in the Bombay Circle continuously officiating in the time-scale and the selection grade from a date prior to the 16th July, 1931, and, if so, the total number of such officials in the respective cadres ;
- (e) if the reply to part (d) above be in the affirmative, why the confirmation is delayed in the case of Postal Department alone when the posts in the office of the Accountant General, Bombay, have been allowed to be filled in ;
- (f) if the differential treatment referred to in part (e) above is due to retrenchment measures, and whether they are prepared to allow the confirmation of the persons concerned now, taking into consideration the abnormal delay of more than two years and in some cases even more than three years ;
- (g) if the reply to part (f) be in the negative, the probable time when the question of their confirmation will be finally settled ; and whether they propose to cause the decision to be expedited ?

The Honourable Sir Frank Noyce : (a) and (b). The Honourable Member is referred to the reply given to parts (a) and (b) of Mr. N. M. Joshi's starred question No. 398 in this House on the 19th September, 1932.

(c) The Accountant General, Bombay, has been permitted to fill up substantively certain permanent vacancies in his office, subject to the condition that no persons not in service on the 15th July, 1931, are confirmed.

(d) Government have no precise information but the Honourable Member will notice from the reply referred to in the reply to parts (a) and (b) above that in the Bombay Circle all appointments since April,

1931, and certain appointments since June, 1930, have been made in an officiating capacity.

(e) The Honourable Member is referred to the reply given to part (d) of Mr. N. M. Joshi's question No. 398 mentioned above and to Sardar G. N. Majumdar's question No. 1225 in this House on the 15th November, 1932.

(f) and (g). Do not arise in view of my reply to part (e).

FILLING UP OF CERTAIN POSTAL APPOINTMENTS PERMANENTLY AT CERTAIN PLACES.

728. *Mr. S. G. Jog : Will Government be pleased to state :

- (a) whether it is a fact that the gazetted appointments of Postmasters at Bombay, Poona, Madras, Karachi, etc., have recently been permanently filled up ;
- (b) whether these appointments have been filled up as a result of the removal of the ban placed by the Government of India since the 16th July, 1931 ;
- (c) whether the non-gazetted appointments in the lowest selection grade and the time-scale in the Post Offices have not yet been allowed to be filled up permanently ;
- (d) the reasons for such differential treatment for the two classes of officials, viz., gazetted and non-gazetted of one and the same department ;
- (e) whether the appointments of officers and the time-scale clerks in the office of the Accountant General, Bombay, have been allowed to be filled up permanently and that these officials hold substantive liens on these appointments ;
- (f) whether the only condition imposed on the time-scale officials in the Accountant General's office is that they will have to accept new scales of pay, if and when introduced ; and
- (g) whether they are prepared to ask the Director General, Posts and Telegraphs, to fill in the appointments in the Postal Department permanently on similar conditions ?

The Honourable Sir Frank Noyce : (a) Yes.

(b) The ban referred to by the Honourable Member presumably is that contained in a Finance Department Resolution, dated the 9th July, 1931. The orders therein refer to persons who were not in Government service on the 15th July, 1931, and are still in force. They do not, however, apply to Postmasters holding the posts referred to in part (a) of the question all of whom were in Government service prior to July, 1931. These posts were permanently filled because there was no prospect of retrenchment in them. In this connection the Honourable Member's attention is invited to the first part of the reply given on the 15th November, 1932, to starred question No. 1225 by Sardar G. N. Majumdar.

(c) Yes. The attention of the Honourable Member is invited to the second part of the reply to Sardar G. N. Majumdar's starred question just referred to.

(d) The presumption that all vacancies in the gazetted posts have been permanently filled up is not correct. Certain posts were filled up because there was no prospect of retrenchment as stated in reply to part (b) of the question. The Honourable Member is also referred to the reply to part (c) above. The question of differential treatment does not arise.

(e) The Accountant General has been permitted to fill up substantively certain permanent vacancies in his office, subject to the condition that no persons not in service on the 15th July, 1931, are confirmed.

(f) The condition is imposed on new entrants.

(g) In view of the reply to part (d) the reply is in the negative.

PREFERENCE TO *ex*-APPROVED CANDIDATES IN THE POSTAL DEPARTMENT IN MAKING APPOINTMENTS.

729. *Mr. S. G. Jog : Will Government be pleased to state :

- (a) whether the Director General of Posts and Telegraphs has ordered that *ex*-approved candidates in the Postal Department shall get preference in making appointments from outside candidates in the Lower Division ;
- (b) the number of such discharged approved candidates in the Rajkot Division, who have officiated in the years 1930 to 1933 ;
- (c) whether it is a fact that these candidates put in about eight months to 18 months of officiating service before their discharge ;
- (d) the number of outside candidates employed from 1st March, 1931, to 1st June, 1933, ignoring the claims of discharged candidates, and the number of discharged candidates who were re-employed in accordance with the Director General's orders about the preference for recruitment ; and
- (e) if the said orders of the Director General have not been carried out, whether instructions are proposed to be issued to give effect to them as soon as possible ?

The Honourable Sir Frank Noyce : The reply to part (a) of the question is in the affirmative. As regards the rest of the question Government have no information nor do they consider it necessary to institute special enquiries, as if the claims to appointment of *ex*-approved candidates have been ignored in the Rajkot Division it is open to the individuals concerned to represent the matter in the ordinary way.

POSTAL OFFICIALS OFFICIATING IN THE BOMBAY POSTAL CIRCLE.

730. *Mr. S. G. Jog : Will Government be pleased to state :

- (a) the number of officials working in officiating capacity in the Bombay Circle in the time-scale, in the lower selection grade and in the higher selection grade, in the Postal Department ; and

- (b) the number of officials officiating in clear vacancies in respective cadres who died without being confirmed in their posts between the 16th July, 1931, and the 1st of July, 1933 ?

The Honourable Sir Frank Noyce : (a) and (b). Government are not in possession of the information asked for and I regret that it cannot readily be collected.

I may, however, inform the Honourable Member that in view of the probable necessity for effecting economies in the cadres to which the Honourable Member refers, all appointments to posts in these cadres have been made in an officiating capacity since the 17th April, 1931.

PERMISSION TO POSTAL RESERVE CLERKS TO APPEAR FOR CONFIRMATION EXAMINATION.

731. ***Mr. S. G. Jog :** (a) Will Government be pleased to state whether under the old orders the reserve clerks in the Postal Department were not allowed to appear for confirmation examination unless they had put in one year of service ?

(b) Are Government aware that in cases where telegraph training intervened, it was omitted and the reserve clerk was allowed to appear only when he put in 21 months of service ?

(c) Is it a fact that under the orders of the Director General, Posts and Telegraphs, issued on the 12th September, 1932, a reserve clerk can appear even in the first month of his appointment ?

(d) Will Government be pleased to state whether these orders have been made applicable retrospectively to the existing incumbents who were not, under the previous orders, permitted to appear at the examination before the completion of one year of their service ?

(e) Will Government be pleased to state whether the Director General has received any representations from the officials concerned and the Service Association ?

(f) If so, what is the number of such representations and the date of receipt of the earliest application ?

(g) If these representations have been delayed for over six months, are Government prepared to cause the decision to be expedited ?

The Honourable Sir Frank Noyce : (a) Yes.

(b) The facts are substantially as stated by the Honourable Member.

(c) Not as a general rule, but in certain special circumstances the Head of a Postal Circle is empowered to allow a probationary clerk to sit for the examination any time before the completion of 12 months.

(d) Yes.

(e) The reply is in the negative if, as I gather, the Honourable Member refers to representations against the change in the order in respect of the examination of officials before the expiry of 12 months from the date of their appointments.

(f) and (g). Do not arise in view of the reply to part (e).

ABSENCE OF A DIRECT TRAIN BETWEEN DELHI AND LUCKNOW.

732. *Mr. M. Maswood Ahmad : (a) Is it a fact that there is no direct train between Delhi and Lucknow ?

(b) Are Government aware that a Passenger Train was in existence from Allahabad to Delhi *via* Lucknow and Moradabad in the régime of the old Oudh and Rohilkund Railway and that it did afford a very great convenience to the travelling public ? If so, what led to its being discontinued ?

(c) Is it a fact that the people of Oudh have been clamouring for a very long time for this convenience being given to them ?

(d) Is it also a fact that the East Indian Railway authorities have always considered this fact only from the commercial point of view and not the convenience of the travelling public ?

(e) Are Government aware that the Imperial City of Delhi is connected by direct trains with all the important cities of India except Lucknow, which is not only the seat of the United Provinces Government but also a most important town in Upper India ?

(f) Do Government propose to consider the desirability of drawing the attention of the East Indian Railway authorities to this inconvenience to the public with a view to introducing a direct train between Delhi and Lucknow, or if that is not possible by diverting one of the three Expresses (at present running between Moghulkarai and Delhi) *via* Lucknow and Moradabad to Delhi ?

Mr. P. R. Rau : (a) Yes.

(b) It is understood that before the amalgamation of the Oudh and Rohilkund and East Indian Railways a passenger train did run between Allahabad and Delhi *via* Lucknow and Moradabad, but it was discontinued when it was found that the number of passengers for Delhi was inadequate.

(c) Representations have been made from time to time for a through service between Lucknow and Delhi, and in response to such representations upper and lower class through carriages have been run experimentally on trains between Lucknow and Delhi. In the case of lower class, the continuance of through carriage was found by censuses to be unjustified. The upper class carriage still continues to run

(d) The commercial point of view does not exclude consideration of the convenience of the travelling public.

(e) If my Honourable friend will tell me what he considers to be the important cities of India. I shall be in a position to give him a reply.

(f) The East Indian Railway authorities will, I have no doubt, bear this suggestion in mind in case circumstances justify it, but diverting one of the three Expresses as suggested by the Honourable gentleman will only result in inconvenience to some other section of the travelling public.

NON-RESERVATION OF A COMPARTMENT FOR LADIES IN THE LIGHT TRAINS
RUNNING BETWEEN BAREILLY JUNCTION AND PILIBHIT ON THE ROHIL-
KUND AND KUMAON RAILWAY.

733. ***Mr. M. Maswood Ahmad** : (a) Are Government aware that there is no compartment reserved for the exclusive use of females in the Light trains running between Bareilly Junction and Pilibhit on the Rohilkund and Kumaon Railway ?

(b) Are Government aware that it is laid down in section 64 of the Indian Railways Act, 1890, that " every Railway Administration shall, in every train carrying passengers, reserve for the exclusive use of females one compartment at least of the lowest class of carriage forming part of the train " ?

(c) If the replies to parts (a) and (b) above be in the affirmative, what action do Government propose to take against the Railway Administration for this breach of the provisions of the Indian Railways Act ?

(d) Do Government propose to bring this to the notice of the Agent, Rohilkund and Kumaon Railway, with a view to provide at least a very small compartment for females in these trains ?

Mr. P. R. Rau : I understand from the Agent, Rohilkund and Kumaon Railway, that Light trains Nos. 15 Up and 16 Down running between Bareilly and Pilibhit were originally run experimentally, and accordingly structural alterations were not made to provide a fully partitioned compartment for females, but boards reserving compartments for females were affixed to the stock. He reports further that before notice of this question was received, orders had been issued by him to provide a fully partitioned compartment for females.

TRAINING IN COMMERCIAL ENGINEERING IN AMERICA.

734. ***Mr. M. Maswood Ahmad** : (a) Will Government be pleased to state whether they are aware that in America special training in Commercial Engineering is imparted ?

(b) Will Government be pleased to state if there is any Commercial Engineer employed in any of the workshops of the Indian State Railways ?

Mr. P. R. Rau : (a) Government have no information.

(b) Not that I am aware of. So far as I know, an Engineer who specializes on the sales side of an Engineering firm is termed a Commercial Engineer. Railway workshops do not produce any articles for sale.

Mr. M. Maswood Ahmad : May I take it that at present there is no such man in the workshop of any State Railway ?

Mr. P. R. Rau : That is what I was endeavouring to convey.

COMMUNAL COMPOSITION OF GAZETTED STAFF ON THE MULTAN DIVISION
OF THE NORTH WESTERN RAILWAY.

735. ***Mr. M. Maswood Ahmad** : (a) Is it a fact that the President, Muslim Railway Employees Association, addressed the Agent, North

Western Railway, the Railway Board and the Railway Member on the subject of an enquiry into the state of affairs prevailing in the Multan Division of the North Western Railway ?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state whether the communal representation in different Divisions of the North Western Railway, as far as gazetted officers' ranks are concerned, is in such a way that in some Divisions all the gazetted officers are non-Muslims ?

(c) Will Government be pleased to state the communal composition of the gazetted officers' ranks of the Multan Division of the North Western Railway ?

(d) Do Government propose to arrange the posting of gazetted officers in such a way that any one community may not preponderate, as far as practicable, on any one Division of a Railway ?

Mr. P. R. Rau : (a) Government have not received any such representation.

(b), (c) and (d). Government have no information as to the present communal composition of gazetted officers in the Multan or any other Division of the North Western Railway which must vary from time to time, and cannot accept the proposition that the posting of gazetted officers should be fixed on a communal basis.

ABSENCE OF ELECTED MEMBERS IN THE NEW DELHI MUNICIPAL COMMITTEE

736. **Mr. S. G. Jog :** (a) Is it a fact that the municipal committee, New Delhi, has not got a single elected municipal commissioner ?

(b) If the reply to part (a) be in the affirmative, why is the New Delhi public denied the right of representation in the municipal committee as any public elsewhere in British India ?

Mr. G. S. Bajpai : With your permission, Sir, I shall answer questions Nos. 736 and 738 together. New Delhi has a municipal committee, in which non-official members are included. For the reasons explained in the reply given to part (c) of Mr. Gaya Prasad Singh's starred question No. 67 on the 6th September, 1932, Government representatives are in a majority.

EDUCATIONAL QUALIFICATIONS OF NON-OFFICIAL NOMINATED MEMBERS OF THE NEW DELHI MUNICIPAL COMMITTEE.

737. **Mr. S. G. Jog :** (a) Will Government please state the educational qualifications of the few non-official nominated members of the New Delhi municipal committee ? Is it a fact that amongst those members there are some who are illiterate or very poorly educated ?

(b) If so, how do they discharge their responsibilities as municipal commissioners ?

(c) Are Government aware that the New Delhi public is represented by men more than 98 per cent. of whom are highly educated ?

M. G. S. Bajpai : (a) I lay on the table a statement which gives the information asked for in the first part of the Honourable Member's question. The answer to the second part is in the negative.

(b) Does not arise.

(c) I regret that I have been unable to follow the Honourable Member's question.

Statement showing the educational qualifications of the non-official nominated members of the New Delhi Municipal Committee.

1. Mr. C. G. Blomfield, F.R.I.B.A., F.S.I., Architect.
2. Sardar Bahadur Sobha Singh—Read up to F. A.
3. L. Jagdish Pershad—Read up to Matric Standard.
4. Khan Sahib Akbar Ali—Possesses the ability of a Munshi Fazil.

EXTENSION OF THE PRIVILEGES OF THE LOCAL SELF-GOVERNMENT TO NEW DELHI PUBLIC.

†738. **Mr. S. G. Jog :** (a) Why do Government not extend the proper privileges of the local self-government to the New Delhi public ?

(b) Do Government propose to arrange for the adequate representation of the public in the New Delhi municipal committee through proper elections ?

SHOPS ON BAIRD ROAD, NEW DELHI.

739. **Mr. S. G. Jog :** (a) Is it a fact that the Delhi Government possess a number of shops on Baird Road, New Delhi, which are being managed through the New Delhi municipal committee and that practically all of them are lying vacant for the last year or so ?

(b) Are Government aware that all the shopkeepers who were doing business there for the last so many years have shifted to other private shops in the same locality ?

(c) Have Government enquired what led them to vacate the Government shops ?

(d) Is it a fact that they sent a number of representations to the municipal committee before vacating the shops ? If so, will Government please state what their grievances were and why no heed was paid to them ?

(e) Is it a fact that the municipal committee officials disconnected electric points in those shops ? Will Government please state why these points were disconnected ? Were these points in existence for the last several years and are all the shops separately metered ?

(f) If the facts mentioned in part (e) be true, taking into consideration the great financial loss to the municipal committee, are Government prepared to see that the grievances of the present occupants of Government shops are redressed and the rent of shops adequately reduced to attract new businessmen to occupy those shops ?

Mr. G. S. Bajpai : (a) In 1925 Government transferred ten shops on the Baird Road, New Delhi, to the New Delhi Municipal Committee, and since then, they are being managed by the Municipality. All the shops were occupied up to the 31st October, 1932.

†For answer to this question, see answer to question No. 736.

(b) and (c). As a result of the construction of some private shops on the Baird Road which provide better and cheaper accommodation, seven Municipal shops were vacated on or after the 31st October, 1932. Two of these seven shops have again been occupied and it is hoped before the winter season sets in all the shops will be rented.

(d) The shop-keepers made representations for reduction of rent on account of slump in the market. Previous to the 1st October, 1932, the rent of each shop used to be Rs. 68-8-0 per mensem less 20 per cent, if paid before the 10th of each month, but from that date it was reduced to Rs. 55 per mensem less 10 per cent. if paid by the fixed date. With effect from the 1st June, 1933, the rent of each shop was further reduced to Rs. 45 per mensem less 10 per cent. if paid by the fixed date.

(e) Each shop has a separate water and electric meter. The illegal and unauthorised extensions of electric points made by some of the shop-keepers were removed by the Electrical Engineer but there was no forcible disconnection.

(f) I would invite the Honourable Member's attention to the answer I have given to part (d) of this question.

PURCHASE OF PETROL BY THE NEW DELHI MUNICIPAL COMMITTEE.

740. **Mr. S. G. Jog :** (a) Is it a fact that the New Delhi municipal committee purchases all its supply of petrol for Health Department lorries from a certain municipal commissioner ?

(b) Did they call for tenders before giving the contract to the municipal commissioner ? If not, why not ?

(c) Are Government aware that the supply of petrol can be had at cheaper rates from other petrol dealers ?

Mr. G. S. Bajpai : Enquiries have been made and the information will be furnished to the House in due course.

INEQUALITY IN THE DISTRIBUTION OF HIGHER POSTS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

741. **Mr. B. N. Misra :** (a) Is it a fact that in the Railway Clearing Accounts Office the staff transferred from the North Western Railway are having a lion's share in the upper grade posts at the cost of the staff transferred from other Railways, and, if so, will Government be pleased to state the reasons for the same ?

(b) Are Government aware that this inequality in the distribution of higher posts was clearly brought to the notice of the committee appointed by the Railway Board to fix the seniority of the staff of the Railway Clearing Accounts Office, and that committee recommended that in the case of future promotions, at least, special consideration should be given to the non-North Western Railway men, even if these men are not technically the seniormost ?

(c) Will Government be pleased to state whether any action has been taken on the above recommendation and if not, why not ?

(d) Will Government be pleased to lay on the table a comparative statement showing the position of all sub-heads and class I clerks transfer-

The Honourable Sir Frank Noyce : (a) No such absolute order has been issued, but the retrenchment of officials of over thirty years service is permissible.

(b) and (c). Government have no precise information. The Honourable Member is, however, referred to the reply given to Mr. P. G. Reddi's starred question No. 767 in this House on the 26th September, 1932.

SELECTION OF SPECIAL CLASS APPRENTICES FOR THE SUPERIOR REVENUE ESTABLISHMENT OF STATE RAILWAYS.

748. *Shaikh Sadiq Hasan : (a) How many Muslims have been selected each year as Special Class apprentices by the Public Services Commission for the Superior Revenue Establishment of the Indian State Railways since the recruitment started in 1927 ? And what was the total number of admissions ?

(b) What is the total number of these apprentices under training in England and how many of them are Muslims ?

(c) What is the total number of the apprentices at present at Jamalpur, and how many of them are Muslims ?

(d) What is the total number of officers of the Superior Revenue Establishment of the Indian State Railways, in each of the transportation and power mechanical lines, and how many of them are Muslims ?

(e) What measures do Government propose to adopt to remove this old-standing grievance of the Muslim community regarding their paucity in the Superior Railway Services ?

Mr. P. R. Rau : (a) The total number of apprentices selected has been 60, of whom 33 are Hindus, 11 Muslims, nine Anglo-Indians, three Indian Christians and four belong to other communities.

(b) The first batch, consisting of one Hindu, one Muslim, one Anglo-Indian and one Indian Christian, has completed training in the United Kingdom and been appointed to the service. There are 17 apprentices under training at present ; of these, 10 are Hindus, four are Muslims, eight Indian Christians and one belongs to other communities. In addition, three have been granted scholarships as a special case. Of these two happen to be Hindus and one Muslim.

(c) The total number of apprentices at present at Jamalpur is 37, of whom 17 are Hindus, three Muslims, five Anglo-Indians and two belong to other communities.

(d) I would refer my Honourable friend to Appendix F of Volume I of Report by the Railway Board on Indian Railways for 1931-32.

(e) Government have in making selections followed the policy of reserving one-third of the vacancies for recruitment from among the minority communities.

TOTAL VALUE OF IMPORTS AND EXPORTS OF INDIA.

749. *Lala Rameshwar Prasad Bagla : (a) Will Government please state the total value of imports and exports of India for the year 1932-33 ? Will Government please exclude from the export figures the value of gold and silver exported during the period ?

(b) Are Government aware that there has been a continuous fall in the value of total exports and an increase in the total imports of India ?

(c) Will Government please state what action, if any, they have taken, or propose to take, in order to increase the exports and decrease the imports ?

(d) If Government have taken any action in this connection, will they please inform this House to what degree their efforts have been successful ?

The Honourable Sir Joseph Bhore : (a) The Honourable Member is referred to the Accounts relating to the Seaborne Trade and Navigation of British India for March, 1933, a copy of which is in the Library.

(b) No.

(c) and (d). The necessity for any specific action has not arisen.

SALE OF SILVER TO GREAT BRITAIN.

750. *Lala Rameshwar Prasad Bagla : (a) Are Government aware that there has been great resentment amongst the public in general and the commercial community in particular in regard to their attitude in the matter of recent sale of silver to Great Britain ?

(b) Is it a fact that America has accepted the payment from Great Britain of 10 million dollars in silver at 50 cents per ounce in respect of War Debt ?

(c) Is it a fact that Government sold silver to Great Britain at 32.5 cents per ounce when the market value of silver was 36.5 cents per ounce ?

(d) Do Government realise that they have put India to a heavy loss by the above transaction ?

(e) Are Government aware that Great Britain has gained 17.5 cents per ounce at the expense of India ?

(f) Will Government please state if they knew that the object of America in fixing the price of silver at 50 cents per ounce was simply to raise the price of silver ?

(g) Is it a fact that Government actually stood in the way of a rise in the price of silver ?

The Honourable Sir George Schuster : For general information on this question the attention of the Honourable Member is invited to the replies given to starred question No. 89 asked by Seth Haji Abdoola Haroon on the 28th of August and supplementary questions thereto.

I would supplement this with the following answers to specific parts of the question :

(a), (c), (d), (e) and (g). No.

(b) Yes.

(f) This is a matter of opinion.

INTRODUCTION OF INTERMEDIATE CLASS ACCOMMODATION ON THE SOUTH INDIAN RAILWAY.

751. *Mr. K. P. Thampan : (a) Will Government be pleased to state whether :

- (i) the Mangalore and Palghat Municipalities urged on the South Indian Railway to introduce intermediate class accommodation on the broad gauge ;
- (ii) the Local Advisory Committee also recommended and pressed for the same ;
- (iii) they are aware that the public have been agitating for a number of years for its introduction ; and
- (iv) the Railway has refused to comply with this popular demand ?

(b) Are Government prepared to direct the South Indian Railway authorities to introduce intermediate class accommodation on the broad gauge ?

Mr. P. R. Rau : I am making enquiries from the South Indian Railway Administration and shall lay a reply on the table in due course.

PROVISION OF FANS IN THIRD CLASS CARRIAGES ON RAILWAYS.

752. *Mr. K. P. Thampan : Will Government be pleased to state :

- (a) if they have circularised all Railways on the question of providing fans in third class carriages ;
- (b) what replies were received from the various Administrations ;
- (c) what further action they propose to take in the matter ?

Mr. P. R. Rau : (a) No.

(b) Does not arise.

(c) None. The cost is prohibitive.

Mr. K. P. Thampan : Have they tried it in any of the Railways ?

Mr. P. R. Rau : No, Sir ; the cost is prohibitive.

INCREASE OF FREE LUGGAGE ALLOWANCE ON HILL SECTIONS.

753. *Mr. K. P. Thampan : (a) Will Government be pleased to state if it is a fact that :

- (i) the free luggage allowance on hill sections (like the Nilgiris section) used to be half of that on the plains ;
- (ii) although the free allowance of luggage has been recently raised on the plains, it has not been correspondingly raised on the hills ?

(b) Do Government propose to direct that the free allowance on hills be correspondingly raised ?

Mr. P. R. Rau : (a) The free luggage allowance on hill sections is not uniform. On the Nilgiris section it has not been changed recently ;

it has been 15 and 7½ seers for upper and lower classes, respectively, for some time. On the Kalka Simla section, I understand, the free allowance is the same as in the plains, and was raised in December, 1929, along with the free allowance in the plains.

(b) I am forwarding a copy of this question to the Agent of the South Indian Railway, for considering the suggestion made.

DISCHARGE OF MADRAS AND SOUTHERN MAHRATTA RAILWAY EMPLOYEES CONSIDERED MEDICALLY UNFIT FOR ONE CLASS OR GROUP.

754. ***Mr. K. P. Thampan :** (a) Will Government be pleased to state whether, with reference to the answer to my starred question No. 606 of 2nd March, 1933, they have since heard from the Agent of the Madras and Southern Mahratta Railway on the subject of the discharge of employees considered medically unfit for one class or group and whether they can make a statement regarding it now ?

(b) Are Government prepared to direct that employees should not be discharged in contravention of the Railway Board's orders on the subject ?

Mr. P. R. Rau : (a) Government obtained a report from the Agent of the Madras and Southern Mahratta Railway on the particular case referred to by the Honourable Member, and after examining all the circumstances saw no reason to interfere with the discretion of the Madras and Southern Mahratta Railway, which is a Company-managed Railway, in dealing with its own servants.

(b) As I have informed my Honorable friend in reply to his question No. 1222 of the 1st November, 1932, the principle of the recommendation of the Royal Commission on Labour was in conformity with orders already in force. Government have already instructed State-managed Railways and invited Company-managed Railways to continue to follow that principle. They do not consider any further action is necessary.

ARTICLE ENTITLED "MONSTROUS" IN THE *Indian Railway Magazine*.

755. ***Mr. K. P. Thampan :** (a) Has the attention of Government been drawn to the article entitled "Monstrous" at page 128 of the *Indian Railway Magazine* in its issue of May, 1933 ?

(b) Have Government taken any action against the Bengal and North Western Railway Administration under section 93 of the Railways Act ? If not, why not ?

Mr. P. R. Rau : (a) Yes.

(b) I have called for information from the Bengal and North Western Railway in regard to the allegations made in the article in question, and will lay a reply on the table in due course.

REDUCTION OF FREIGHT RATES ON INDIAN RAILWAYS.

756. ***Mr. K. P. Thampan :** (a) Has the attention of Government been drawn to the article entitled 'Killing freight charges' at page 131 of the *Indian Railway Magazine* in its issue for May, 1933 ?

(b) Are Government prepared to consider the question of a general reduction of freight rates through the Railway Rates Advisory Committee ?

Mr. P. R. Rau : (a) Yes.

(b) Railway Administrations have been examining individually local rates with the object of improving their earnings, and have in many cases quoted reduced rates where it appeared likely to result in improved traffic. Government consider that, in view of the present financial position of Railways, this is a particularly inopportune moment for embarking on a general revision.

POST OF PERSONNEL OFFICER ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

757. ***Mr. K. P. Thampan :** (a) Will Government be pleased to state whether, with reference to the answer to my starred question No. 607 of 2nd March, 1933, it is proposed to continue or abolish the post of Personnel Officer on the Madras and Southern Mahratta Railway ?

(b) Will Government be pleased to state if there has been a single case during the last three years where the Personnel Officer has interfered with the decision of the Chief Transportation Superintendent ?

Mr. P. R. Rau : (a) The post is still on a temporary basis, and its duration has since been extended till the 31st March, 1934. If it is decided to continue it thereafter, and to make it permanent, the matter will be placed before the Standing Finance Committee for Railways.

(b) Government have no information.

DISCHARGE OF MR. G. KRISHNAMURTHI, GENERAL SECRETARY OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY EMPLOYEES' UNION.

758. ***Mr. K. P. Thampan :** Will Government be pleased to state :

(a) If it is a fact that Mr. G. Krishnamurthi, the General Secretary of the Madras and Southern Mahratta Railway Employees' Union was discharged by that Railway Administration on the sole ground that no employee should be the Secretary of the Union ;

(b) whether they approve of the principle involved in part (a) above ? If not, whether they are prepared to direct the Madras and Southern Mahratta Railway authorities to reinstate Mr. G. Krishnamurthi ?

The Honourable Sir Joseph Bhore : The matter is under examination and I am unable to say anything at present.

DISCHARGE OF EMPLOYEES OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

759. ***Mr. K. P. Thampan :** Will Government be pleased to state :

(a) how many employees of the Madras and Southern Mahratta Railway were discharged on grounds other than retrenchment in the years 1931 and 1932 ;

(b) how many of them had put in service of more than 10 years ;

(c) how many appeals addressed to the Agent against orders of discharge were received in 1931 and 1932 and in how many cases were the appeals successful ;

- (d) whether they are aware that there is a considerable volume of feeling that there is no security of service on the Madras and Southern Mahratta Railway ?

Mr. P. R. Rau : Government have no information.

PLAYING CARDS IMPORTED INTO BRITISH INDIA FROM JAPAN.

760. ***Mr. Jagan Nath Aggarwal :** (a) Are Government aware that the value of playing cards imported into British India from Japan during the last three years has been as under :

					Rs.
1930-31	..	..	..	..	20,025
1931-32	..	..	..	..	28,219
1932-33	..	..	..	..	2,53,413
April to June, 1933	..	..	..	..	90,268

showing that the import for the present year, if continued at the present rate, will be somewhere in the neighbourhood of Rs. 4,00,000 ?

(b) Have Government looked into the question how it is possible for Japan to under-sell in this line in the Indian market ?

(c) Do Government propose to take any steps under the Safeguarding of Industries Act to avert this danger ?

The Honourable Sir Joseph Bhore : (a) Yes.

(b) and (c). Government have received representations from certain playing card manufacturers in India ascribing the low price of Japanese playing cards imported into India to the depreciation of the Yen and asking *inter alia* for protection under the Safeguarding of Industries Act, 1933. These representations are now receiving consideration.

Mr. Lalchand Navalrai : May I know if this question will also be discussed by the forthcoming Conference with the Japanese delegation ?

The Honourable Sir Joseph Bhore : Sir, all relevant matters will certainly be considered at the Conference, and certainly the case of all industries which have asked Government to take action will be borne in mind during the course of those negotiations.

INCREASE IN THE IMPORT OF FRUITS AND VEGETABLES FROM FOREIGN COUNTRIES.

761. ***Mr. Jagan Nath Aggarwal :** (a) Are Government aware that the import of fruit and vegetables from foreign countries has increased very considerably of late ?

(b) Are Government aware that the imports of fruits and vegetables from Japan have grown as under ?

Fruits and vegetables from Japan.

					Rs.
1928-29	..	..	..	..	22,632
1929-30	..	..	..	..	30,129
1930-31	..	..	..	..	40,215
1931-32	..	..	..	..	51,034

(c) Are Government aware that imports from the United States of America during the same period have increased as follows ?

Fruits and vegetables from the U. S. A.

					Rs.
1928-29	..	..	..	..	8,793
1929-30	..	..	..	..	56,202
1930-31	..	..	..	..	2,75,097
1931-32	..	..	..	..	4,95,010

(d) Are Government aware that this import of fruits and vegetables has seriously crippled the fruit industry in this country in general and Kulu fruit industry in particular ?

(e) Are Government aware that, before Kulu fruit can reach rail-head, it has to traverse a long distance by road and has to pay tolls to the Mandi State and then postal charges for reaching ports and other stations ?

(f) Do Government propose to take steps to prevent the ruin of the Indian industry ?

(g) Are Government aware that postal charges form a considerable part of the price of fruit parcels sent outside Kulu and the recent increase in postal rates has hit the industry hard ?

(h) Do Government propose to keep the protection of this industry in view when the question of a trade agreement with Japan is being examined at the forthcoming conference ?

Mr. G. S. Bajpai : (a) No. On the other hand, the total value of fruits and vegetables imported into India decreased from Rs. 183 lakhs in 1929-30 to Rs. 134 lakhs in 1931-32.

(b) Yes.

(c) The figures quoted by the Honourable Member relate to fresh fruits and vegetables only.

(d), (f) and (h). Government have no figures showing the amount of fruit produced in India and are, therefore, unable to say how the local fruit industry has been affected by the increased imports from Japan and the United States of America. Imports from Japan and the United States of America already pay an *ad valorem* duty of 30 per cent.

A representation has been received recently from the Punjab Chamber of Commerce for protection to the fruit industry under the Safeguarding of Industries Act, 1933, and is being considered.

(e) Yes.

(g) Parcel postage rates were increased in 1931, but the charge for a parcel weighing six seers or more remained unaltered. The fruit industry in Kulu could, therefore, hardly be said to have been hit hard by the revised schedule.

Mr. E. Studd : Is it not a fact, Sir, that the majority of this foreign fruit reaches the ports of India at a time when fruit from Kulu is not available in those places ?

Mr. G. S. Bajpai : I do not think that that is true of all imports of fruit. It certainly is true of fruit which comes from Australia and

South Africa which, being on the other side of the equator, have a different season for particular varieties of fruit.

Mr. Jagan Nath Aggarwal : Is it not a fact, Sir, that the foreign fruit is competing with Kulu fruit which has lost ground in the ports of India ?

Mr. G. S. Bajpai : I would remind my Honourable friend of what I said in my reply that Government have no figures showing the amount of fruit produced in India, and are, therefore, unable to say how the local fruit industry has been affected by these imports.

Mr. Lalchand Navalrai : Will the Honourable Member be pleased to obtain these figures ?

Mr. G. S. Bajpai : So far as I know, these figures do not exist.

Mr. Jagan Nath Aggarwal : May I inform the Honourable Member that, as a result of the large increase in the import of foreign fruit and also on account of the increase in postal rates, the Kulu fruit industry has been practically killed ?

Mr. G. S. Bajpai : May I also remind the Honourable Member that I stated in my reply that a representation has been received from the Punjab Chamber of Commerce on the subject, and it is being considered ?

Mr. Vidya Sagar Pandya : Are Government aware that as a result of the large import of foreign preserved fruit, the Government Jam Factory at Coonnoor had to be closed down ?

Mr. G. S. Bajpai : I am afraid, Sir, I have no information about the Coonnoor Jam Factory. It is not a Government of India concern.

MOTION FOR ADJOURNMENT.

FORFEITURE BY GOVERNMENT OF THE *Free Press Journal* DEPOSIT.

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. I have received a notice from Rao Bahadur B. L. Patil that he proposes to ask for leave to make a motion for the adjournment of the business of the House today for the purpose of discussing a definite matter of urgent public importance as follows :

“ The forfeiture under the Press Act of Rs. 10,000 out of a deposit of Rs. 20,000 deposited with the Chief Presidency Magistrate, Bombay, by the *Free Press Journal* as security by the Government of Bombay on the ground of publication of two articles :

1. “ Freedom for Asia—cure for the world's ills ’’, dated 9th July, 1933 ; and
2. “ From the Watch Tower ’’, dated 5th August, 1933 ’’.

Before I inquire whether any Honourable Member has any objection to the making of this motion, I must know from the Honourable the Mover under what law this forfeiture has been made.

Rao Bahadur B. L. Patil (Bombay Southern Division : Non-Muham-madan Rural) : Sir, my information is that the action taken by the Government of Bombay is under the Press Act, being Act No. XXIII of 1931, as amended by another Act of 1932.

Mr. President (The Honourable Sir Shanmukham Chetty) : Does the Act, XXIII of 1931, contain any provision enabling the aggrieved party

[Mr. President.]

to refer to the High Court, and has the High Court power to redress the grievance after making an enquiry ?

Rao Bahadur B. L. Patil : I have got the Act in my hand. I feel that section 23 of that Act.....

Mr. President (The Honourable Sir Shanmukham Chetty) : The attention of the Chair has been drawn to section 23 of the Act referred to by the Honourable the Mover under which this forfeiture has been made by the Bombay Government. According to section 23, the aggrieved party—

“ may, within two months from the date of such order, apply to the High Court for the local area in which such order was made, to set aside such order, and the High Court shall decide if the newspaper, book or other document in respect of which the order was made did or did not contain any words, signs or visible representations of the nature described in section 4, sub-section (1).”

That clearly provides for a sort of appeal to the High Court, and has the Honourable Member anything to say against the contention that in the light of section 23 this matter is to be considered as *sub judice* ?

Rao Bahadur B. L. Patil : Section 23 gives a right to the person affected, but here the object of my motion is to discuss the policy of the Government. I contend that the action taken by the Bombay Government involves a policy. That policy is the action of the executive in preference to judicial process. In my opinion, Government can proceed under the ordinary law of the country, namely, the Indian Penal Code. This pleni-potentiary power to the executive was invested by this Legislature expressly on one ground, and that was the prevalence of the Civil Disobedience Movement in this country last year. Even at the time when the Press (Emergency Powers) Act was passed, we were assured that Government would not make it a cloak to suppress the liberties of the Press, but would only use it wherever it was necessary to do so. Soon after, the Ordinances followed, and Ordinance No. X of 1932 gave immense powers to the executive, and after that, immediately followed the Criminal Law Amendment Act which contains the very stringent provisions of the Ordinances. Now, as the Civil Disobedience Movement has, even according to the opinion of Government themselves, died away, I submit that the necessity has passed away, and, therefore, it is necessary for this House to consider whether Government are justified in pursuing the same policy, which I may call the repressive policy, of curtailing the liberties of the Press. Freedom of the Press is freedom of the people.

Mr. President (The Honourable Sir Shanmukham Chetty) . Order, order. The Chair understands that the Honourable Member wants to discuss not the individual case of the forfeiture referred to in his notice, but the policy of the Government involved in that forfeiture. So far as the individual case is concerned, in the light of section 23 of Act XXIII of 1931, since the matter is appealable, it must be considered as *sub judice* and, as such, cannot be discussed in this House.

With regard to the request of the Honourable Member to discuss the policy of the Government, I am afraid the Chair cannot allow an adjournment motion on that point. The Bombay Government was administering an ordinary law of the land, and the policy of the Local Government or the Central Government, in administering a law of the land, is not a matter of urgency within the meaning of the rules, and as such, the motion is not in order.

THE MURSHIDABAD ESTATE ADMINISTRATION BILL.

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE.

Mr. B. J. Glancy (Political Secretary) : Sir, I beg to present the Report of the Select Committee on the Bill to provide for the appointment of a Manager on behalf of the Secretary of State of the properties of the Nawab Bahadur of Murshidabad and to define the powers and duties of the Manager.

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways) : Sir, I lay on the table the information promised in reply to starred question No. 1625, asked by Pandit Ram Krishan Jha, on the 12th December, 1932.

COST INCURRED BY GOVERNMENT ON THE HAULAGE, TRAVELLING AND OTHER ALLOWANCES FOR THE NOMINATED MEMBERS OF THE LEGISLATIVE ASSEMBLY.

Statement.

*1625.

Year.			Delhi Session.	Simla Session.	June Session.	November Session.
			Rs. A.	Rs. A.	Rs. A.	Rs. A.
1921	..	..	42,173 8	28,056 7	..	..
1922	..	..	54,865 2	24,521 8	..	..
1923	..	..	48,051 11	24,917 1	..	..
1924	..	..	45,316 10	23,684 2	16,976 13	..
1925	..	..	52,407 1	27,153 2	..	..
1926	..	..	50,708 10	19,335 14	..	..
1927	..	..	49,703 3	24,483 4	..	..
1928	..	..	41,767 15	19,478 10	..	..
1929	..	..	48,324 5	19,224 7	..	..
1930	..	..	45,396 13	16,043 13	..	..
1931	..	..	47,100 6	25,160 6	..	20,418 5
1932	..	..	51,602 12	24,522 10	..	33,062 9

Figures collected from the travelling allowance bills as far as available.

The Honourable Sir Harry Haig (Home Member) : Sir, I lay on the table :

- (i) the information promised in reply to starred question No. 925 asked by Mr. M. Maswood Ahmad on the 27th March, 1933 ; and
- (ii) the information promised in reply to a supplementary question to short notice question asked by Mr. M. Maswood Ahmad on the 22nd August, 1933.

ALLEGATIONS IN REGARD TO PUNISHMENTS, ETC., METED OUT TO POLITICAL PRISONERS IN THE HARIPUR CENTRAL JAIL.

*925. (a) Yes.

(b) and (c). The Honourable Member is referred to the discussion which took place in the North West Frontier Province Legislative Council on March 20, 1933, on the "Grant for Jails and Convict Settlements" and also to the Report of the District Magistrate published in a Gazette Extraordinary issued by the Government of the North West Frontier Province on March 13, 1933.

MR. GANDHI'S FAST.

A copy of the Press communiqué issued by the Government of India on the 18th August, 1933, is laid on the table.

Communiqué, dated the 18th August, 1933.

After his arrest on the 1st August, at Ahmedabad Mr. Gandhi addressed a letter to the Superintendent of the Ahmedabad Central Prison in which he made the following request : " You might know that before my discharge, owing to my fast, from the Yervada Central Prison in May last, I was permitted to do Harijan work and thereabout to see freely visitors and equally freely to receive and send letters, to have a typist and to receive newspapers, magazines and other literature. I hope that I would be given the same facilities now. I may state that a weekly newspaper called " Harijan " is issued at Poona and it is necessary for me to send matter for the paper and otherwise instruct the Editor." On the 4th August, after his re-arrest at Poona consequent upon his refusal to obey the order served upon him, Mr. Gandhi repeated this request, remarking that Harijan work could not be interrupted except at the peril of his life, and asked for a reply by Monday the 7th August. He was informed that the matter was under consideration, but that it was impossible for a decision to be reached by the date specified. Subsequently, on the 8th and 10th August, he addressed reminders to Government.

On the 14th August, Mr. Gandhi forwarded the following letter to the Government of Bombay, " It is now noon of Monday and I am yet without an answer to my request for resumption of Harijan work on the same terms as before my fast. This request was first conveyed on the 1st instant from the Central Prison, Ahmedabad, and has since been thrice repeated. The strain of deprivation of this work is becoming unbearable. If therefore I cannot have permission by noon next Wednesday I must deny myself all nourishment from that time, save water and salt. That is the only way I can fulfil my vow and also relieve myself somewhat of the strain mentioned above. I do not want the suspension of nourishment in any way to act as pressure on Government. Life ceases to interest me if I may not do Harijan service without let or hindrance. As I have made it clear in my previous correspondence, and as the Government of India has admitted, permission to render that service is implied in the Yervada Pact to which the British Government is a consenting party in so far as its consent was necessary. Therefore I do indeed want the permission, but only if Government believe that justice demands it, and not because I propose to deprive myself of food, if it is not granted. That deprivation is intended purely for my consolation."

On the 16th August Mr. Gandhi was informed that it had been decided that he would be granted the following special facilities for purposes of work strictly confined to anti-untouchability. (1) To receive newspapers and periodicals, but not to be

allowed interviews for publication in the press whether with press correspondents or others; (2) to see not more than two visitors a day; (3) to send instructions or contributions to the Editor of the "Harijan" three times a week, and a limited number of letters to other correspondents, and (4) to have at his disposal a convict typist and books, newspapers, etc., needed for Harijan work.

On this decision being communicated to him, Mr. Gandhi at first indicated that he would not fast. Later, however, he addressed the following letter to the Bombay Government. "I see that I have hastily and stupidly told you to restore goat, to me. It shows how disinclined I am to starve. But on reading the notes of the orders you have left with me they are so far short of the original orders of the Government of India and of my requirements that I must not be precipitate in breaking my fast. If the Government wish to go back upon those orders I shall be sorry, but I may not work under the new orders, which are a manifest departure from the original and which seem to me to be grudgingly given. I observe that you cannot even let me have letters already in your possession and to hand manuscript to the acting Editor for this week's 'Harijan'. It pains me to have to write this letter, but it will give me much greater pain if I break the fast now and have to enter upon prolonged controversy with Government on many matters that need elucidation. I miss Government's response to meticulous care with which I am endeavouring to observe jail discipline and as prisoner tender co-operation which as a citizen outside prison walls I consider it a religious duty to withhold. I have read your notes three times and each reading has increased my grief to discover that Government cannot appreciate the desperate need there is for me to do Harijan work without let or hindrance. Much therefore as I am disinclined to continue the fast I feel I must go through the agony if I cannot serve the Harijan cause without the tremendous handicap which it seems to me the orders conveyed by you put upon it. Will you therefore please withdraw milk and fruit already received by me and accept my apology for having hurriedly told you that I would break the fast."

It has been explained to Mr. Gandhi that the orders permitted him to interview the Editor of the 'Harijan' as one of his daily visitors and to hand him his manuscript, and that letters so far as they dealt with Harijan matters would be delivered to Mr. Gandhi.

Government are not aware what Mr. Gandhi means by saying that they have admitted that permission to do Harijan work in prison is implied in the Yeravda Pact, though it is true that in the exceptional circumstances prevailing immediately after that Pact the Government did permit Mr. Gandhi as a State prisoner to inaugurate the movement to which he appeared to be devoting his whole attention. Protests were made at the time on behalf of the orthodox Hindu community, who did not agree with Mr. Gandhi's policy in this matter, against his being allowed facilities to conduct a public campaign from jail, and it might well be argued that Mr. Gandhi, having now after a period of freedom, courted imprisonment again on a purely political issue, should not be allowed any special treatment that is not given to other A class prisoners. Nevertheless the Government have been reluctant to take action which could be regarded as unreasonable interference with a work of social reform or to take their stand too rigidly on the fact that Mr. Gandhi is by his own deliberate act a prisoner convicted for a breach of the law. In spite of the inconvenience to jail discipline and the anomaly of the position they have allowed Mr. Gandhi facilities for pursuing his work on anti-untouchability which enable him to make an important and effective contribution towards it. It was noticeable that when Mr. Gandhi was at liberty he did not appear to devote the major part of his time or attention to this movement. His main energies were employed on politics and on the continuance in whatever form might be possible of the movement of civil disobedience. His present claim that he should be allowed from prison to carry on his Harijan work "without let or hindrance" amounts to a refusal to accept for himself the normal concomitants of imprisonment, except restriction on his actual physical liberty, and in effect is a claim to dictate the terms of his imprisonment.

The Government are satisfied that the facilities they have allowed are ample to enable Mr. Gandhi to conduct such work in favour of the removal of untouchability as is in the circumstances reasonable. If Mr. Gandhi now feels however that life ceases to interest him if he may not do Harijan service without let or hindrance, the Government are prepared, provided Mr. Gandhi is willing to abandon all civil disobedience activities and incitements, to set him at liberty at once so that he can devote himself wholly and without restriction to the cause of social reform. Mr. Gandhi has been informed accordingly.

The Honourable Sir Frank Noyce (Member for Industries and Labour) : Sir, I lay on the table :

- (i) the information promised in reply to parts (c) and (d) of starred question No. 1414 asked by Mr. J. Ramsay Scott on the 23rd November, 1932 ; and
- (ii) the information promised in reply to unstarred question No. 90 asked by Mr. N. M. Joshi on the 13th March, 1933.

PREFERENCE TO GOODS MANUFACTURED IN INDIA.

1114. Orders for the woollen goods referred to in my reply to part (a) of the question were placed through the India Store Department, London, owing almost entirely to the fact that goods of the requisite quality were not manufactured in India.

NUMBER OF OVERSEERS AND POSTMEN, ETC., IN EACH POSTAL CIRCLE.

90. (a) The information is furnished below :

1 Category.	2 Number on the 31st January 1931.	3 Number on the 31st January 1933.	4 Number abolished from 1st February 1931 to 31st Janu- ary 1933.	5 Number converted from 1st February 1931 to 31st Janu- ary 1933.
(i) Departmental Branch post offices	1,346	746	9	591
(ii) Mail Overseers	884	785	99	..
(iii) Overseer Postmen	183	150	15	18
(iv) Head Postmen	400	336	31	33
(v) Reader and Sorting Postmen	377	352	22	3

(b) Yes.

(c) Yes, in the majority of cases.

(d) As regards the first part, the reasons generally were the re-adjustments of staff necessitated by (a) the heavy fall in traffic ; (b) diversion of mail lines ; (c) replacement of runners' lines by tonga and motor services ; (d) extension of the system of treasury contracts.

In regard to the second part, duties previously discharged by certain classes of official may in consequence of the changes now be discharged by officials of lower status. There is no rule against this.

(e) (i) It is not a fact that prior to 1931 the posts referred to by the Honourable Member were reserved solely for the promotion of postmen as certain classes of inferior servants in other branches of the Department were eligible for them.

As regards the appointment of outside candidates to the lower division cadre, the position is that owing to the Government's decision to convert 33 per cent. of the posts in the entire clerical cadre into posts in the lower division, it has been decided that

when an adequate number of qualified men of the postmen class is not available to fill all vacancies in the lower division clerical cadre, which since 1931 included also the posts named by the Honourable Member, direct recruitment should be resorted to, subject to the proviso that, for the present, vacancies in that cadre should be offered alternately to qualified men of the postmen class and to approved candidates for appointment to the upper division who have a claim on the Department. I may, however, inform the Honourable Member that the posts named in items (2) to (6) of his question have now been excluded from the lower division cadre and the position of postmen in respect of promotion to those posts is again the same as it was prior to 1931.

(u) Does not arise in view of the reply to part (t) above.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands) : Sir I lay on the table the information promised in reply to starred question No. 1129 asked by Mr. S. G. Jog on the 5th April, 1933.

AREA OF LAND IN NEW DELHI RESERVED FOR ALLOTMENT TO DIWANS AND RAISES.

*1129. (a) Yes. The area is 1.2 per cent. of the total area.

(b) Recommendations are made by the Chief Commissioner from amongst applicants whose names are listed to the Government of India in the Department of Education, Health and Lands, and the final selection is made by His Excellency the Viceroy.

(c) No.

(d) Thirty-one plots have been allotted and the allotment of one is under consideration. No other plots are available at present within the area in question.

(e) Twenty. Some of the applicants have been on the waiting list for 10 years.

(f) The 31 allotments made up to date are as follows :

The Punjab ..	..	..	..	..	..	19
Delhi ..	..	..	..	..	..	3
The United Provinces ..	..	..	..	..	..	3
Bihar and Orissa ..	..	..	..	..	..	2
Bengal ..	..	..	..	..	..	1
N. W. F. Province ..	..	..	..	..	..	1
Kashmir ..	..	..	..	..	..	1
Kathiawar ..	..	..	..	..	..	1

(g) This is not considered necessary.

(h) This is the policy which Government are already following.

Mr. B. J. Glancy (Political Secretary) : Sir, I lay on the table the information promised in reply to starred question No. 55 asked by Mr. Lalchand Navalrai on the 24th August, 1933.

QUETTA CLUB.

*55. (a) It is presumed that the question refers to the Club in Quetta known as the Quetta Club, Limited.

(b) The information which the Honourable Member requires may be obtained from the Articles of Association of the Club which are deposited with the Registrar of Joint Stock Companies in Baluchistan and may be inspected by any member of the public on payment of the prescribed fee.

(c) No. As regards the second query the Honourable Member's attention is invited to the reply to part (b) of the question.

(d), (e) and (f). Government have no information.

(g) Under Section 54 (1) of the Income-tax Act, 1922, no such information as is here sought can be furnished.

(h) The Company enjoys no exemption in respect of license and excise taxes and pays such rents and taxes as are recoverable by law.

(i) Does not arise.

(j) Government see no reason to stop the business and trade of the Club. As to information regarding income-tax and other rates and taxes attention is invited to the replies already given to parts (g) and (h) of the question.

STATEMENT OF BUSINESS.

The Honourable Sir Joseph Bhore (Leader of the House) : When I made a statement regarding the probable course of public business during this week, I said that we might have to ask you to direct that the House should sit on Saturday for the transaction of public business. It is not possible for us, without knowing what progress is made tomorrow with official business, to say what course we shall adopt. If progress is slow tomorrow, I am afraid we shall have to ask you to direct that there shall be a sitting of the House on Saturday.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair takes it that the Leader of the House wants to make a request that the Chair should direct that the House should sit on Saturday in case the progress made with the course of official business tomorrow is not satisfactory.

The Honourable Sir Joseph Bhore : That is so.

Mr. President (The Honourable Sir Shanmukham Chetty) : Probably it will suit the convenience of the House if the Chair takes a decision on this point tomorrow, because we can decide after seeing what progress we have made. But even if the request is made tomorrow by the Leader of the House that the House should sit on Saturday, the Chair proposes to direct that the House should sit only in the forenoon and not in the afternoon.

Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) : May I inform the Chair that there is a meeting of Standing Committee on that day at 10-30 in the morning ?

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair has said that in case it directs that the House should sit on Saturday, it should sit only in the forenoon and not in the afternoon. Suitable arrangements will be made for the convening of the Standing Committee in the afternoon and not in the forenoon.

RESOLUTION *RE* PROPRIETARY RIGHTS OF CITIZENS IN THE LAND.

Rai Bahadur Lala Brij Kishore (Lucknow Division : Non-Muhammadan Rural) : Sir, I beg to move the following Resolution ;

“ That this Assembly recommends to the Governor General in Council to take steps to get incorporated in the new Constitution a provision to the effect that the proprietary rights of any citizen in the land should not be taken away for any reason whatsoever without the payment of adequate compensation.”

From time immemorial the landholders in India have got proprietary rights over the land and, even in Her Majesty the late Queen Victoria's Proclamation, an assurance was given.....

Mr. R. S. Sarma (Nominated Non-Official) : On a point of order. The only authority who can incorporate any provision like that at this moment is the Joint Parliamentary Committee and the time for sending a recommendation or memorandum asking for anything is already over. Therefore, Sir, what good will it do to have a discussion of this subject in this House ?

Rai Bahadur Lala Brij Kishore : ...:that no changes would be ever effected in the British Indian administration which will affect the immemorial customs and rights and liberties of the people of this country. Sir, even in recent times the Simon Commission Report admitted that the great landlords in India form a nobility which claim and exercise the privilege of high rank. The advent of British rule has confirmed the status of the landlords ; and their influence in their old neighbourhood remains predominant. It was also admitted by the Simon Commission that the large landholders in different parts of British India were men who had considerable vested interests in the country and that they exercised great influence over the tenants and that they have been enjoying their rights from time immemorial.

The joint authors of the Montagu-Chelmsford Report have also recognised the landed aristocracy in India as the natural and acknowledged leaders in the country and that they represent ancient and well-born families and that their states are often the result of conquests or grants from some mediæval monarch.

The successful termination of the last world war, which threatened the future of the whole of the civilised world, was due in no small measure to the active co-operation of the landholders of India. I confidently say, at least about my province, that the Talukdars of Oudh, a community to which I have the honour to belong, were greatly animated by a spirit of ardent co-operation, and came forward with all the means in their power during that trying period. It would not be too much for me to say that they had a considerable share in the great victory of the memorable year 1918.

A variety of circumstances, however, have thrown the country into a veritable political melting pot. Revolutionary changes in the Constitution and the Government of the country are in the air. Under the existing circumstances, it is both their right and duty that their undeniable position, sanctified by a series of promises, shall be secured to them by statutory provisions on the occasion of the transfer of responsibilities from the British Parliament to the Indian people. One obvious guarantee to which the landholders are entitled is the recognition, by a statutory provision, of their rights and title to their estates. This is all the more necessary in view of the apprehensions caused by the attempt to spread the Bolshevist doctrine of confiscation of private property. The bulk of Indian masses are ignorant, and illiterate as they are, they are easily led away by the spirit of Bolshevist teachings. Under these circumstances, the need for the protection of our rights and private property can not be too greatly emphasised. Moreover, since the last decade or so, a suspicion is brewing in the minds of the landholders that, as they are not

[Kai Bahadur Lala Brij Kishore.]

being given due representation in the future legislatures of the country, the time may not be far distant when their proprietary rights may be denied to them, in the absence of any definite enactment in the future Act of Constitution which is being forged by the Joint Parliamentary Committee and, if the landholders have got this suspicion, they cannot be blamed. It is the march of the events which is forcing them to this unfortunate conclusion. A number of times the landholders have waited on computation and submitted their representation for the protection of their rights, and as early the 9th March, 1933, my Honourable friend, Mr. Anklesaria, raised in this House a debate on the question of safeguarding the interests of the land owning classes in India. At that time, the then Leader of the House assured us that some thing would be done to safeguard our interests and asked us to wait till the White Paper was out. Now, the White Paper is out. The only reference made in that important document on this subject is in paragraph 75, page 29, where it says that regarding rights of the property some reference should be made in the Constitution. We are disappointed to find that it makes no special reference to the rights and privileges of the landholders as such. The contemplated Government of India Act, without a special mention of a statutory provision safeguarding our interests, will not meet the present Indian conditions and environments. Any scheme of constitution that fails to provide specifically for our rights and privileges is not likely to bring an era of peace and prosperity. Any attempt to ignore this natural and reasonable demand of the landholders will amount to ignoring the natural and acknowledged leaders of agriculturists who form the bulk of the population of the country. Much nervousness is felt by the landholders that their rights of permanent settlement may not be taken away from the parts where they exist.

It is well-known that, in the future Constitution, land revenue is not going to be a reserved subject, but will be a transferred one, and so we can easily realise what will be our position in the future Constitution unless there is a sufficient safeguard about it by statutory enactment. When it is pressed that due provision should be made of the Minority Pact in the future Constitution which is also very necessary, I do not see any reason why our position also should not be adequately safeguarded.

Before I conclude, Sir, I would bring to the notice of this House that no one at least in this House will subscribe to the doctrine of confiscation of property and of nationalisation of land as is being done in modern Russia. Sir, nationalisation presupposes expropriation. Such expropriation can only be effected in two ways, one without indemnifying the owners and the other by indemnifying the proprietors of the lands. I will not be wrong if I quote, at this stage, the authority of the French Professor Leon Walras, who urged that the State could not in justice confiscate real property since this had been constituted and sanctioned under the guarantee of the law. The State has, however, the right recognised under the Legal Codes of every country to apply expropriation for reasons of public utility on payment of a fair compensation. Sir, what this learned jurist and professor laid down about real property is what my Resolution demands. Sir, the main principle underlying my Resolution is that proprietary rights on land should not be withdrawn ; but if

the exigencies of the State demand it, that should be done by the payment of an adequate compensation. My Resolution only demands that this principle be given the constitutional sanction by its being embodied in the future Act of the Constitution.

I may also mention that this is not a new Resolution, but that it was passed at the Joint Conference of the United Provinces Landholders Association, and the Association of the Talukdars, in July, 1931, at Lucknow, a copy of which was forwarded to the Government and also in the All-India Landholders Conference held at the Durbhanga Palace at New Delhi this very year.

In conclusion, I appeal to the Government most sincerely that if they want to avoid revolution and spirit of Bolshevism in the country, they should support the landlords, they should safeguard their interests in the future Constitution. Equity and justice also demand that no one's property should be taken away even by the State without giving adequate compensation. With these words, I commend this Resolution for the acceptance of the House.

Mr. President (The Honourable Sir Shammukham Chetty) : Motion moved :

"That this Assembly recommends to the Governor General in Council to take steps to get incorporated in the new Constitution a provision to the effect that the proprietary rights of any citizen in the land should not be taken away for any reason whatsoever with the payment of adequate compensation."

Mr. D. K. Lahiri Chaudhry (Bengal : Landholders) : Sir, I do not want to move the amendment that stands in my name but I rise to support the Resolution of my Honourable friend, Rai Bahadur Lala Brij Kishore. I find it difficult to move my amendment as it infringes the rights of the Land Acquisition Act. It is a fact, Sir, that the Government of India can do nothing at the present time except to send a copy of the debate on this Resolution to the Home Government, and I would earnestly request the Government Member-in-charge of this Resolution to do so. On the 9th of March last, when a motion on a similar matter was brought before the House, the Honourable Mr. Bajpai and the then Law Member, Sir Brojendra Mitter, explained the position of Government quite clearly. Mr. Bajpai was good enough to use the following words at the end of his speech which I will quote :

"I say that the future of the landlords lies not in any written word,—not in the letter that killeth—in any constitution, but in the spirit in which they identify themselves with the interests of the great bulk of the peasantry and utilise the position that they have inherited, their race, their birth, their traditional influence, to advance the interests of that peasantry and treat those interests as their own."

I very much appreciate those remarks and I hope that the landlords have not betrayed their trust. But what I do wish to emphasise is that the rights of the landlords should not only be contained in any Royal Proclamation, but that they should be definitely and clearly incorporated in the Constitution itself. We find from the White Paper that His Majesty's Government considered the question of the proprietary rights and they were satisfied that certain provisions should be inserted in the Constitution. We would very much like that our rights—nay the rights of any citizen—should be defined clearly and candidly in the Constitution itself and not confined only to the Proclamations. I have got a very strong support in my favour in the person of Sir James Fitz James Stephen, the famous ex-Law Member of the

[Mr. D. K. Lahiri Chaudhry.]

Government of India. At the time of the Ilbert Bill agitation, in the early eighties of the last century, this is what he said :

“ The rights, said to have been reserved for the Indian subjects of the Crown in the memorable Royal Proclamation of Queen Victoria, had no legal validity whatsoever inasmuch as the said Proclamation, not being a Statute of Parliament, was not and could not be at all binding upon a British Sovereign's Government.....”

This is a thing to be considered. The House is aware of the fact that even last evening, when a point of order was raised, it was defended that the section just came under the Indian Penal Code, and, you, Sir, ruled that, as that section did not come under the Government of India Act, it should not be valid on the part of this Legislature to take action on that section and you, Sir, suspended your ruling on that issue. The point is that if a thing, which is not mentioned in the Constitution itself, should not be binding on the Legislature. Therefore, at this stage my recommendation is that the proprietary rights should be clearly and candidly mentioned in the Constitution itself and not be left to the Royal Proclamations.

Now, Sir, I come to develop the point with regard to the permanent settlement. In this connection I wish to give to the House some very interesting figures to show that the revenue on acreage basis of ryotwari system does not exceed the revenue on acreage basis of permanently settled areas ; and, further, you will find that in Bengal, where there is permanent settlement, 90 per cent. of the land revenue has been collected. If you were to compare the permanently settled areas with Khas Taluks, you will find that the collection of land revenue in the case of the permanently settled areas is much more satisfactory. I will quote certain figures from Professor Benoy Kumar Sarkar who is really an authority on commerce and industry and also on financial matters. He says that the revenue which is collected by the Bombay Government, where Ryotwari system prevails, is in no way higher than the collection of the revenue in Bengal where there is permanent settlement. There are 49,187,000 acres of land in Bengal which yield a revenue of Rs. 30,073,000. In Bombay, the area is 78,740,000 acres and the collection of revenue is Rs. 48,314,000. If you will just compare these figures, you will find that, on the basis of acreage, Bengal does not pay less than Bombay although in Bengal there is permanent settlement. This, Sir, is a very sound argument on behalf of those who are enjoying the right of permanent settlement. They are certainly paying not less than those provinces where there is no permanent settlement. This is my first point, and another point is this.

12 NOON.

It has been sufficiently discovered and placed before the House even by the Treasury Benches that when responsibility is going to be transferred from one shoulder to another, sufficient safeguards should be made in connection with revenue and administration. There can be no better safeguard of revenue than permanent settlement. So I recommend to Government that they should strongly recommend to the Home Government—no doubt I know that the thing has gone out of their hands—but still the Government of India can append a strong note in forwarding a copy of the debate on this Resolution to the Home Government that really speaking if any assurance could be given in connection with the permanent settlement, it must be specifically

mentioned in the Statute itself and not by any Proclamation of His Majesty ; and the proprietary rights of any citizen in the land should not be taken away for any reason whatsoever without adequate compensation. With these words, Sir, I support the Resolution.

Rai Bahadur Kunwar Raghubir Singh (Agra Division : Non-Muhammadan Rural) : Sir, I wholeheartedly support the Resolution moved by my Honourable friend, Rai Bahadur Lala Brij Kishore. In fact, I had given notice of such a Resolution myself, and I am glad that the name of my Honourable friend has found a place in the ballot. The causes for bringing forward this Resolution are : one of the reasons that has been given by the Mover himself is that there is fear of Bolshevism and communism spreading in the near future in this country. Secondly, there is a fear that there may be Congress ascendancy in the coming Constitution. We have heard the Congress leaders on this point. Mahatma Gandhi, although he did not say in so many words that he did not want landlords in India, yet Pandit Jawaharlal Nehru has been very explicit on this point. Giving his interview to the Press on the 1st September, 1933, at Lucknow, he said :

“ The zamindari system has broken down, it is as much an anachronism as autocracy in the Indian States.”

At Amritsar, he declared he was a socialist and a republican. It is also known to everybody that he started the no-rent campaign in the United Provinces even before Mahatma Gandhi had returned from the Round Table Conference. By starting this movement he created bad blood between zamindars and tenants. If he had his way, he will see that landlordism goes. Even our beloved Governor, Sir Malcolm Hailey, who is one of the ablest Governors in India, when he was speaking in England, spoke of the peasant proprietors 50 years hence. He said he was afraid that, after 50 years, no landlordism as it exists now will remain and that these landlords would be in the position of peasant proprietors.

Now, as to the services of my community, I will point out firstly that it is not confined to Hindus, Muhammadans, Europeans, Jains and Sikhs or to any particular class. There are landlords belonging to every community. It was with the help of landlords that the mutiny was quelled. The world war itself was won with our efforts, because we supplied recruits, gave war loans and subscribed to the various war funds and even during the non-co-operation days we stood by Government and also during the Civil Disobedience Movement. We remitted large sums of money in rents and debts, found schools, hospitals, orphanages, colleges and hostels. What have we got as reward ? I am sorry to say that we got no rewards, but punishment. In 1902, the occupancy rights were given to the tenants and we acquiesced. In 1916, life tenancy was given, and seven years' registered leases were scrapped. We acquiesced. Although the Government were bound to accept the deeds which were duly registered in their own offices, yet by the Act of 1916, those registered leases were scrapped. Larger remissions of rent than of revenue were sanctioned. We acquiesced. We have suffered so long in spite of our services to Government, to the public and to our tenantry. But we are determined not to be coerced in future. Every Viceroy extolled our services from the days of Earl Canning, who was the first Viceroy, but now our eyes are opened and the Joint Select Com-

[Rai Bahadur Kunwar Raghubir Singh.]

mittee proceedings show what value to attach to the utterances of statesmen, however highly placed. One noble Marquis can attack a representative of the Crown for some of his sweet words in an after dinner speech. The present agitation is not only against landlordism, but against capitalism as well. So the captains of industry must also be on their guard along with us. Every one having stake in the land must try to nip the trouble of communism in the bud. Otherwise it would be impossible for us to do anything when it has taken firm root. I mean communism once established will uproot society as at present constituted and would revolutionise the existing order of things. Oriental mentality is opposed to abrupt changes. It will recoil on the heads of revolutionaries themselves and they would have to suffer the fate of that ill-fated monarch, King Amanullah. Our forefathers found these estates with the sweat of their brow and we watered the tender plant, weeded out undesirable growth. They helped their tenants in times of trouble and disease and we are doing the same. Whenever tenants want help, they turn to us, and we help them with money, grain, clothes, etc., to the best of our ability and resources. There is a silver lining in the cloud of agricultural depression, but still the future looks full of evil forebodings and hence the Resolution. I appeal to the nationalists, independents, Europeans, democrats and the Government not to let down their friends in the future Constitution. There is a paragraph in the White Paper which says :

“ His Majesty's Government see serious objections to giving statutory expression to any large range of declarations of this character, but they are satisfied that certain provisions of this kind such, for instance, as respect due to personal liberty and rights of property and the eligibility of all for public office, regardless of differences of caste, religion, etc., can appropriately, and should find a place in the constitution Act.

His Majesty's Government think it probable that occasion may be found in connection with the inauguration of the new constitution for a pronouncement by the Sovereign, and in that event, they think it may well be found expedient humbly to submit for His Majesty's consideration that such a pronouncement might advantageously give expression to some of the propositions suggested to them in this connection which prove unsuitable for statutory enactment.”

So, Sir, the fear is not groundless. People are trying to whittle down the proposals contained in the White Paper. So we are naturally pessimistic about our future, but, in view of our services to the public and to the Government, we hope the Government and the popular parties here will support our humble demand.

Mr. B. V. Jadhav (Bombay Central Division : Non-Muhammadian Rural) : I have had no intention of intervening in this debate, but I see that the landlords and their partisans are rather apprehensive that their position will be worsened. They ought to have some confidence in the British Government, and as long as the paramountcy of Britain is there, I do not think the landlords have any cause to fear. The Government are maintaining the autocracy of the States and Government are also interested in maintaining the rights of the landlords and, I may assure my landlord friends that they have no cause to be afraid of. The last speaker alluded to the speeches of Pandit Jawaharlal Nehru and his followers. But as long as the strong arm of Britain is there, not only one Jawaharlal Nehru, but even 10,000 Jawaharlal Nehrus would not be able to do any wrong to the landlords. But, at the same time, I have a

word of advice to the landlords themselves. The landlords have been in possession of extensive lands and privileges, and naturally they expect that all those privileges will be continued to them and their successors. But they have to realise, Sir, that times are changing and the opinions of yesterday are not the opinions of today and the opinions of today will not be the opinions of day after tomorrow. England is a capitalist country. Still the privileges and rights of the capitalists are being slowly reduced and the idea of nationalising the mines and nationalising banks is being preached and being acted upon to a certain extent. There has been a sort of capital levy and, in that way also, capitalism is attacked in its home. So my friends, the landlords, will have to prepare themselves for gradually losing some of their privileges ; but, at the same time, I may assure them that it is not the intention of Government or of any Member of this House that the landlord class should be annihilated.

Mr. K. P. Thampan (West Coast and Nilgiris : Non-Muhamadan Rural) : How can you speak on behalf of Government ?

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadan Rural) : He was once a Member of Government,—an ex-Minister.

Mr. B. V. Jadhav : I think every subject has a right to say something on behalf of Government. Government belong to the people and the people belong to the Government, and, if I say anything wrong, Government may deny it. Sir, I myself am not against the landlord class. I know that in the past they have rendered valuable services and people will not forget those services. But, at the same time, I may point out that the landlord, as formerly, is not now the father of his tenants. Formerly there was no conflict of interest between the landlord and the tenant ; latterly that conflict is going to arise, and, before it becomes bitter, the landlords ought to take a lesson and reform themselves and act in the relationship of patrons to their tenants. They ought to make it their concern to look to the interests of their tenants, and, if they do that and secure the affection of their tenants, the teachings of Jawaharlal Nehru or of any other communist will have no result. I do not think this Resolution is necessary, because Government have been wide awake and have been doing everything necessary for the preservation of the landlord class.

Mr. N. M. Joshi (Nominated Non-Official) : Sir, this Resolution seems to be directed, in the opinion of the Mover as well as the supporters, against the Bolsheviks and the revolutionaries. I assure you, Sir, that I do not regard myself as a Bolshevik nor do I regard myself as a revolutionary. Still I do not think I can lend my support to this Resolution. In the first place, the Resolution asks that the proprietary rights in land alone should be protected and should not be taken away without compensation. By implication the Mover of the Resolution and his supporters feel that the other proprietary rights in other things may be taken away without compensation. (*Cries of "No, no."*) If that is not the idea, the Mover should have proposed the Resolution in wider terms.

Mr. D. K. Lahiri Chaudhury : We have said " the proprietary rights of any citizen in the land ". That means rights of the people in general.

Mr. N. M. Joshi : You have said that the proprietary rights in the land will not be taken away without compensation. There are other

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proprietary rights in other things. I have proprietary rights in my body and mind and in other things. I think, if at all, proprietary rights are to be safeguarded, those rights should be safeguarded in all kinds of property and not only property in land. The Mover of the Resolution has not shown by one single argument why proprietary rights in land are more sacred than the proprietary rights in other matters. Let me make it clear that, even if the Resolution had been moved in wider terms, I would not have supported it, because I believe that the right of a State to resume property on behalf of the community is inalienable and no Constitution can take it away from the State. The State is the representative of the community. All the property belongs to the community and therefore every State must possess the power to resume the property on behalf of the community. I am not suggesting that the policy of taking away property without compensation should be followed by a State, but you cannot take away the right of a Government to resume property belonging to the individuals when the resumption becomes absolutely necessary in the interest of the whole community.

An Honourable Member : Without compensation ?

Mr. N. M. Joshi : I shall come to the point of compensation. First, I am dealing with the right of the State to resume property from individuals who possess it when the resumption is absolutely necessary in the interest of the whole community.

Then, Sir, I shall deal with the special question of the property in land. In the first place, land was not created by any of the individuals who hold it today. They cannot say that they made it. Natural resources were a gift of nature to mankind ; they were not created by the people who are holding it. Then, Sir, how did they get the land ? My Honourable friend said that his rights were ancient, but you did not tell us how the ancient people got it. It is quite possible that my Honourable friend may tell us how he got it. It is possible that he may have paid some price for it, but the ancient landlords cannot say how they got the land and their rights to the land. Some of them may have got it by wrong means. You will find that some people got their land by force of arms.

An Honourable Member : That is a legitimate right.

Mr. N. M. Joshi : Is it considered to be legitimate by the Mover of the Resolution ? If his ancestors got the land by force of arms, then certainly how can he suggest that any man today should not take back the land by the same force of arms ? If you got the land by illegitimate means, by force of arms, then certainly it is equally legitimate for other people to take away your land by the force of arms—it may be the arms of the State. I, therefore, think that on the whole, when we consider this question very carefully, we shall find that the landowners will not be able to explain how the original landholders got the land from nature. They may have got it by wrong means, and, if they have got it by wrong means, certainly they at least cannot object to other people getting it back from them by wrong means. (Interruption.) But I am not defending today the taking away of land by force of arms. What I am suggesting is this : that these gifts of nature must belong to the community ; they cannot belong to the individuals ; in the first place, we do

not know how the land was parcelled out between the different individuals ; and, in the second place, land and other natural resources are a monopoly of nature : you cannot create more land ; you cannot create more mineral resources ; and, therefore, it is wrong in principle that a few people should possess a larger portion of land and some others should possess less or none. You cannot create more land, if some other people want land ; therefore, it is wrong in principle that one man should be given more land while others should be deprived of it or should not have any land at all. Therefore land and natural resources are unsuitable to be made the subject of private property.....

An Honourable Member : You advocate communism then ?

Mr. N. M. Joshi : I am not talking of communism at all. I am talking of certain points of view which occur to me in this matter. This is my general principle, that land, being a gift of nature and being a monopoly, should not be allowed to fall into the hands of a few private individuals, so that the other people may be deprived of their dues. Arguments have been adduced as to why the rights in land should be made permanent. Some people said that landlords were very useful to Government. If the landlords were useful to Government, I should like to know in what way. Perhaps they gave some money to Government. True.....

An Honourable Member : Not money, but men also.

Mr. N. M. Joshi : If you talk of men, I am willing to hear the figures : how many landlords were killed in the war and how many, who were not landlords, were killed in the war ? It is not true that the landlords rendered greater service than the other citizens of this land. The other citizens lost their lives, while the landlords may have lost their property, which is after all much less valuable than life. Then we are told that the landlords had great stakes in the country. I am quite willing to admit that those people who have possessed property have got some stake, if you believe in private property ; but what about the stake of life which the other citizens have ? Which landlord can tell me that the life of a poor citizen can be valued in terms of money ? Can any one tell me that ten acres of land is equal to the life of one citizen ? The life of a citizen cannot be valued in terms of property at all. If you take the people in this country and find out the amount of stake which their lives have in this country, you will find that the stake of your property is very small indeed ; and that it cannot be compared ; therefore, it is wrong to talk of people having stakes and, on that account, their rights should be protected.

An Honourable Member : It has become fashionable for them to say so !

Mr. N. M. Joshi : If Government are going to protect anything, let that Government first protect the lives of their subjects. That is the one thing that requires protection. Have the Government of India ever thought of doing so ? I was told that, in one of the paragraphs of the White Paper, the Government of India proposed to protect the rights of property. I want to know whether there is a paragraph in this White Paper where the right of life is secured to a subject in this country. We all now talk of unemployment ; we hear about unemployment ; there are hundreds and thousands of people who lose their lives on account of

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starvation. Is it not the duty of the Government first to secure this right of life, and then talk of securing the right of property? Before Government, therefore, puts down any clause in the Constitution that the right of property should be secured, let Government put down in the Constitution that no citizen shall die of starvation. That is the first principle that every Government must accept and must follow. After doing that, I can understand the Government talking of securing the rights of property. I, therefore, feel that it is wrong for any Government, before they secure the right of life to their citizens, to go into the question of securing the rights in property. What will be the effect if we accept a Resolution of this kind? Government may require land for the good of the community, for securing the lives of the citizens, in order to make the life of the citizens secure. Government may not have the money to pay compensation. If, out of 350 millions, about which my friend, Mr. Das, talked the other day, 340 millions are in danger of being starved, simply because the land belongs to the other 10 millions, will not the Government be justified in taking away the land of the 10 millions even without compensation, in order to protect the lives of the remaining 340 millions? I am not suggesting that Government should follow a policy of confiscating without compensation; but I am talking about the ultimate right of a Government to take the property of a citizen when that taking is absolutely necessary in the interests of the community. As my friend, Mr. Jadhav, has pointed out, if you once say that no man's property can be taken away by Government without compensation, you really arrive at an absurd position. My friends say that they really do not want to secure the rights only in land: they are quite willing to protect the rights in other matters also. Suppose I have thousand rupees, and an income-tax officer comes and says: "Out of this amount, you must pay me Rs. 10", and I say to him, you cannot take away my property without compensation, what will be your reply? The reply is that the compensation is the good of the community. The principle is the same.....

Mr. President (The Honourable Sir Shanmukham Chetty): The Honourable Member's time is up.

Mr. N. M. Joshi: The principle is the same that when Government take away anybody's property, Government pay compensation to everybody, not necessarily in the form of money, but Government pay compensation in the form of the good of the community.....

An Honourable Member: Would you accept that compensation for labour too?

Mr. N. M. Joshi: Well, Sir, I am quite prepared to accept it even for labour. If once you admit the principle that no man's property can be taken away without compensation, you make Government difficult. Government must have the power to take away property in order that their affairs may be conducted. I will tell the House one small example and then finish. In the United States of America, they had this principle that no man's property can be taken away without compensation, and they found it very difficult to levy the income-tax law, for the very reason that I pointed out. Government, therefore, should have the right to take away the peoples' property, and the compensation which Government may offer on some occasions is the compensation in the way of public good. **Mr. President**, I oppose this Resolution.

Mr. F. E. James (Madras : European) : Mr. President, Mr. Joshi is himself a gift of nature and belongs, I hope, to the whole community of us. The trouble with Mr. Joshi has always been that he cannot make up his mind as to whether he is an evolutionary or a revolutionary. Unfortunately, he began his speech by stating that it was far from him to suggest that no Government had any right to confiscate any land without compensation.....

Mr. N. M. Joshi : No, Sir ; I did not say that. What I said was that I would not recommend to the Government to adopt a policy of confiscation without compensation, but I insisted that the Government should possess the right.

Mr. F. E. James : So that Mr. Joshi's position has slightly shifted.

Mr. N. M. Joshi : No, not at all.

Mr. F. E. James : While he admits that he will never himself recommend Government to take a particular course of action, yet, in the same breath, he admits that Government have a right to take that course of action. Mr. Joshi is an equilateral. He believes in every one having exactly the same rights in land and in property as every one else. He also said that he had rights in his own personal body and in his own personal mind forgetting for a moment that the equilateral principle does not apply to the mental sphere, for one man's brain is very often larger than another man's brain. But I will not waste the time of the House by going over all the grounds that Mr. Joshi covered in a general dissertation which is more suitable for a debating society than for a serious discussion on a Resolution dealing with a particular and most important point.

The Mover of the Resolution has chosen, I believe, an appropriate occasion on which to place his point of view before the House. He is not dealing with general proprietary rights ; he is dealing with proprietary rights in land, and I suggest to the House that as one who is interested in land, he has a perfect right to put that particular point of view. I might object to the Resolution in that he has not mentioned in it other rights in which Members of my own community, for example, and other industrialists are particularly interested ; but I am not complaining about the Resolution on that score.

Now, Sir, I take my stand on the general proposition that it is axiomatic that in the future the Indian Legislature must be free to adopt a policy of acquiring for the State land or any other property for the well being of the State. This Resolution does not deny that principle. What it does say is that the State should not acquire any property, whether land or anything else, unless it gives adequate compensation. In other words, we are anxious to be safeguarded in the future against confiscation, and those, who are not prepared to support a Resolution of this description, are in fact leaving the door wide open to confiscatory principles in the future.

Now, Mr. President, I want to urge upon the House the importance of this position in view of the probable future developments. I very much doubt whether, in view of our pre-occupations with the political issues in this country, any one of us has spared himself the time or the leisure to think into the future and to realise what forces are in the world today and what forces in this country will be released even if the existing proposals of the White Paper are carried into law by the British Parliament. I have stressed this point in other places during the last few weeks, and I am very

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anxious to take this opportunity of stressing this point in this House. You have only to look round the world to realise the forces that are at present in existence, violent forces, tremendously strong forces, which are securing and retaining power by the principle of confiscation, the very principle that this Resolution seeks to deny. Go to the continent of Europe and you find there, whether it is Bolshevism or Fascism or Hitlerism, that the weapon which they use in every case is the weapon of confiscation, whether of personal or proprietary rights. And surprising as it may seem, when we look further west across the Atlantic, we find the President of the United States engaged in the tremendous task of trying, almost singlehanded, to restore his people to economic prosperity, and using weapons which come very near the border line of confiscation. Therefore, these forces are in the world today and appear, owing to the inability of rulers or of the people to secure what they want, to be gaining ground.

I have suggested that great forces will be released by the White Paper. I want the House to envisage the future if it can,—great provinces, absolutely self-governing, with Legislatures elected on a tremendously wide franchise. The problems of the future are not going to be the political problems with which we are concerned now or with which we have been concerned in the past. They are going to be essentially economic problems, and, in the large extensions of franchise, we are going to find that forces will be arising all over the country based upon economic policies, led by men who belong to a younger generation than that to which we belong; and that those forces will find a place in the Provincial Legislatures of the future. I believe that in some provinces, before very long, we shall have ministries in power supported by great majorities in Provincial Legislatures with radical programmes such as even Mr. Joshi today does not dream of. I believe also that in a very short time after the Federal Constitution has been established, even though we may have a leavening of the conservative elements in the country, the personnel of Members in this House will be completely changed. Sir, some of my friends on the other side, who are at present posing as leaders of Democratic Parties, will disappear, never to return, and in their place we shall have men who will come forward with real democratic principles, men who will be here on a definite programme tending towards what is commonly known as socialism with a bias towards the forcible confiscation of property. I do not think that I am forecasting anything that is fantastic. I believe those of us, who will have the privilege of living during the next 25 years in this country, will realise that what I am saying now will actually come to pass, and probably come to pass in a far more violent form than we now imagine. Is it surprising, therefore, in view of the forces that are at present existing in the world and in view of the forces that are shortly going to be released in this country by the constitutional proposals of His Majesty's Government,—is it surprising that those who have great interests in land should wish to have it laid down in the constitution that the State should be forbidden to acquire property, without paying due compensation to those who own that property? Mr. Joshi, although he is a member of the Joint Parliamentary Committee, has entirely misread paragraph 75 of the White Paper proposals where it deals with the statement of fundamental rights. There is a sentence in which it says:

“His Majesty's Government see serious objections to giving statutory expression to any large range of declarations of this character, but they are satisfied that certain provisions of this kind such, for instance, as respect due to personal liberty and rights

of property and the eligibility of all for public office, regardless of differences of caste, religion, etc., can appropriately, and should, find a place in the Constitution Act."

In other words, the White Paper proposes an express protection of rights of property and that covers the point which has been made by the Mover of this Resolution. In my opinion, the Constitution Act of the future should contain an express provision to the effect that no person shall be deprived of his property unless proper compensation is made, the amount to be ascertained by arbitration or by judicial proceedings. Now, Sir, while I say that, while I join with my landlord friends in suggesting that there should be some provision in the Constitution Act which would act as a first line of defence against confiscation, I am also aware of the forceful appeal which was so eloquently made by my Honourable friend, Mr. Bajpai, when this matter came up in this House before. As far as I remember, when this matter was discussed then, my Honourable friend, Mr. Bajpai, laid particular emphasis upon the part which the landholding communities should play in the future. I believe that the future of India, as to whether it will go through the process of gradual evolution, or whether it will plunge itself into the chaos of revolutionary attempts by forcible methods, will largely depend upon the attitude to public life, to public service, and to the Legislatures, all-India and Provincial, of the great landholding communities. I do not suggest for one moment that they have not played in the past a very valuable part. I know, as far as the landholders in Madras are concerned, at the present time you can find distinguished men who are spending themselves in the public service, in all kinds of fields, political, social and economic. And I believe that, as long as they play that role, the future will be bright as far as evolutionary development is concerned.

My Honourable friend, Mr. Joshi, has suggested that the landholders did not play a reasonable part during the Great War....

Mr. N. M. Joshi : I did not say that. I said they had not played a greater part than the other citizens

Mr. F. E. James : I am very glad to have that put right. If I misunderstood my Honourable friend, I apologise to him.

Mr. N. M. Joshi : You always misunderstand.

Mr. F. E. James : I am very glad to know that he places the landowning community on a level with other communities who sacrificed so much of blood and treasure during the War. But my main point is that this is a Resolution which asks for statutory protection against confiscation, nothing more, nothing less. It only asks that if the State of the future should come to the conclusion that for public purposes it must acquire property which at present is in the hands of other people, it shall not acquire that property without paying adequate compensation the amount of which has been settled by arbitration or by judicial proceedings. I suggest that in a House of this character and at this particular time of the day when the Joint Parliamentary Committee is about to resume its labours, it is of the utmost importance that we should place on record that this is only a just request ; and we should underline the suggestion of the Resolution that there shall be a statutory provision, either in the declaration of rights or in some other form, that this form of forcible confiscation which is finding favour in so many quarters throughout the world and which is the gospel of certain political parties in this country should be ruled out as far as the Constitution Act is concerned. (Applause.)

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : I had no intention of taking any part in this debate, but the extraordinary speech of my Honourable friend, Mr. Joshi, extraordinary even for Mr. Joshi, forces me to rise just for a few minutes not only to reply to Mr. Joshi but, if I may not be considered audacious, to congratulate Mr. James on his very useful and brilliant speech. Yesterday some one said that my Honourable friend, Mr. B. Das, was at heart really a capitalist while in this House he professed to be a democrat, or even a socialist. I am tempted to say that my Honourable friend, Mr. Joshi, appears to me today to be at heart a communist, while most probably he firmly believes that he is really a socialist. Therefore, I do think it is essential that, if not all of us in India, at least we in this House should realise the distinction between socialism and communism. What this Resolution desires to put on record is that we are against communism but we are not against socialism.

My Honourable friend, Mr. Joshi, exhibited in his speech a confusion of thought which seemed to me extraordinary. He asked my Honourable friends who have sponsored this Resolution as to who made the land which they now claim to be their own. He then went on to say ' Why do you confine this Resolution only to land. Why not to my brain and my body '. I ask Mr. Joshi who made his brain and who made his body ?

Mr. N. M. Joshi : I was against every kind of proprietary right. I simply asked that question to show the absurdity of the whole thing.

Sir Cowasji Jehangir : Mr. Joshi started his speech by saying that he was no revolutionary.

Mr. N. M. Joshi : I still claim that.

Sir Cowasji Jehangir : He clearly asked us whether he had a proprietary right in his brain and his body. I ask him who made his brain and who made his body and if he claims a proprietary right in his brain and his body, I say that my Honourable friends can claim equal proprietary right in the land they own today. The difference between socialism and communism is this, that in socialism the Government of the day can take a part of your wealth by way of taxation for the common good of the people but in communism Government can confiscate all you have got. Now, the confusion of thought is made completely clear by the analogy which my Honourable friend, Mr. Joshi, gave. He talked about owning Rs. 1,000 and Government demanding Rs. 10 from that one thousand by way of income-tax. He said that if he claimed proprietary rights over the whole of the thousand rupees and if the principle is put on record that proprietary rights should be maintained, then he went on to argue that Government could not claim Rs. 10 out of the thousand. There comes the confusion of thought.

Mr. N. M. Joshi : No.

Sir Cowasji Jehangir : In socialism Government can levy a tax on your wealth for the good of the people by a law of the land.

Mr. N. M. Joshi : 100 per cent. tax all round.

Sir Cowasji Jehangir : Mr. Joshi will have to part with his Rs. 10, as we have had to part for years with a very high percentage of our incomes and nobody complains. That is socialism. Who introduced that principle of socialism in the world ? Who carried it to an extreme point ? It was Great Britain. In England, socialism has gone further than in any other country in the world. Your income is taxed for the good of the people to an extent not taxed in any other country in Europe and it was supported by a Conservative Government. In the same way I am a socialist, as good a socialist as my friend, Mr. Joshi, but I refuse to be a communist and because I refuse to be a communist I am prepared to give my wholehearted support to a Resolution which puts on record the principle that Government shall not confiscate but shall take by legislation, by the law of the land a proportion that it is prepared to take from the poorest as well as from the richest. Communism means taking all from those who have got and giving it to those who have not. Does Mr. Joshi believe that we in this House or, may I say, a large majority of thinking people in this country will refuse in the future to be taxed for the common good. Whether we like it or not, we shall have to do it and we are prepared but we shall not admit the principles enunciated here today by my friend, Mr. Joshi, who practically advocated the principle of confiscation, for he said that if the people are starving Government should have the right to confiscate lands, property and the other proprietary rights that the people may have in order to prevent that starvation. I will not admit such a principle. The rights of life are protected by Government by laws and regulations.

Mr. N. M. Joshi : Which ?

Sir Cowasji Jehangir : If I were to kill you, Mr. Joshi, I will swing. Life is thus protected by law. Those are the rights of life, but if Mr. Joshi refuses to work and thereby starves, I cannot be deprived of my lands and my property to feed Mr. Joshi who refuses to work and prefers to starve.

Mr. N. M. Joshi : I am willing to work, but cannot get work.

Sir Cowasji Jehangir : Then Mr. Joshi can call upon the Government and the country to feed him, if they cannot give him work.

Mr. N. M. Joshi : Let it be in the Constitution.

Sir Cowasji Jehangir : The principle enunciated by Mr. Joshi and his friends is that for those who starve because they will not work Government shall confiscate the property of people who have worked for it and accumulated it or who may have inherited it due to the sweat of the brow of their ancestors. These are the principles, I trust, this country will never accept and I do hope that this Resolution will be passed unanimously, simply because Mr. Joshi has made the extraordinary speech he has and let me express the hope that there may be many true socialists, such as I have explained, in the country in the future, not merely socialists in name but communists at heart. They are a class of people we desire to sweep out of the land. True socialists we shall welcome. Let us hope that every one of us will be such true socialists.

Mr. N. M. Joshi : Who is to decide ?

Sir Cowasji Jehangir : Let us hope that the landlord will really be the true father of his tenants. He will then be a good socialist. I have nothing more to say and I do hope that we shall rarely hear principles enunciated in this House, such as we had the misfortune to hear today.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands) : The Resolution moved by my Honourable friend, Lala Brij Kishore, raises a subject which was also discussed in March last on a motion moved by Mr. Anklesaria and I do not propose, because of my Honourable friend, Mr. Joshi's excursions into somewhat devastating doctrines, to let my remarks wander over a wider field than is legitimately covered by the Resolution before the House. On that occasion, when Mr. Anklesaria moved his motion in this House, the then Leader of the House, Sir B. L. Mitter, pointed out that the Government of India had recommended to His Majesty's Government that protection shall be given to proprietary rights in the new Constitution Act. That His Majesty's Government have accepted that recommendation is borne out by paragraph 75 of the proposals for Indian Constitutional reforms, from which I shall

1 P.M.

read the relevant portion :

" His Majesty's Government see serious objections to give statutory expression to any large range of declarations of this character (*that is to say, declarations relating to fundamental rights*) but they are satisfied that certain provisions of this kind such, for instance, as respect due to personal liberty and rights of property.....should find a place in the Constitution Act."

These proposals represent the considered views of His Majesty's Government and these proposals are now before the Joint Select Committee of Parliament. I gather that since the Joint Select Committee of Parliament started its labours evidence has also been led in support of the recommendation which is embodied in paragraph 75. In the circumstances, the only advice which I can give to my Honourable friends is to have patience and trust to the sense of justice and the sense of fairness of the Joint Select Committee of Parliament and, subsequently, when the matter comes before Parliament, of Parliament itself. Because my Honourable friend, Mr. Joshi, who, I am sorry to say, is no longer in his seat, has enunciated certain novel doctrines and because he happens to be on the Joint Select Committee of Parliament, let not my Honourable friends, who support this Resolution or favour the principles embodied in it, think that his views are going to prevail. The intention of Government is to forward these proceedings to His Majesty's Government to be laid before the Joint Select Committee of Parliament and I am quite sure that, when the Committee and the Members come to read what has been said in the course of the discussion today, the problem will fall in its true perspective, and the views which will prevail with them, I hope, will be the views which have been expressed so eloquently by my friend, Mr. James, and by my friend, Sir Cowasji Jehangir, and not the views which have been expressed by Mr. Joshi.

My Honourable friend, Mr. Lahiri Chaudhury, in the course of his remarks, expressed some doubt as to whether the proposal in paragraph 75 meant that statutory protection will be given to proprietary rights or whether such protection will be relegated to what he considers

to be a less secure document, namely, a Proclamation by the Sovereign. I refrain from presuming to interpret the White Paper. That function legitimately belongs to Parliament. But there seems to be no reason for my Honourable friend to think that either His Majesty's Government or the Joint Select Committee of Parliament have made up their mind in favour of what he considers to be the weaker procedure. As a matter of fact, by reading paragraph 75 as it stands one would be justified in saying that the inclination of His Majesty's Government is more in favour of statutory protection than protection by Proclamation. Sir, there was another point made by my Honourable friend, Lala Brij Kishore, who was not merely thinking of statutory protection which is to be given to the right of property. He also seemed to suggest that protection shall be given to the class to which he belongs by special representation. Now, I do not know whether that is strictly germane to the Resolution which is now being considered by the House but I would remind my Honourable friend and the House that this point was dealt with by Sir Brojendra Mitter in March last. Sir Brojendra Mitter then explained that under the Communal Award of His Majesty's Government—and the proposal which now figures in the White Paper is based on the award—landlords will have special representation to the extent, I think, of 36 seats.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammadan) : But that is very little ; it is not sufficient.

Mr. G. S. Bajpai : My Honourable friend will not let me complete my remarks. It may be, as my Honourable friend says, that the numerical special reservation of seats proposed in the White Paper is not what would satisfy the landlords, but my Honourable friend might also reflect upon the other remark which was made by the then Leader of the House, namely, the enlarged electorate of something like 27 or 28 per cent. of the adult population of this country. If that electorate reflects in any way the proportion of agriculturists to the total population of this country which is 80 per cent., then, by virtue of their birth, their position and the special opportunities for serving their tenantry which the landlords have, they will be able to secure representation in future Legislatures not only to the extent of these 38 or 40 seats but in much larger numbers. That, Sir, brings me to what I consider is the most fruitful contribution made in the course of the discussion today, namely, the remarks of my friend, Mr. James. He emphasised that the trend of events in the world outside demonstrates the inherent futility of mere paper safeguards for one section or the other. Why is it that Hitlerism is devastating the constitution of Weimar in Germany ? Why is it that Fascism has replaced the system or the order which prevailed before it in Italy ? It is simply due to the fact that discontents were set in motion which the system of Government or the Party in power at the time were unable to control and because of grievances which those systems were unable to redress. I submit that it is not any written provision in the Constitution which is going to help the landlords, no matter what that provision may be. What is going to help them is leadership in the spirit of service to their tenantry which alone is going to ensure for them the protection and the position which they claim.

Nawab Major Malik Talib Mehdi Khan (North Punjab : Muhannadan) : Sir, my friend, the Honourable Mr. Joshi, wishes to take us back to the period about which it has been said :

“ When Adam delved and Eve span
Who was then the gentleman ? ”

If he goes into the history of the property composed of land, houses, and so on, whether personal or public, he will not be able to find its origin, and if his principle that where it has been discovered that any property has been achieved by violence, then violence should be used to the owner being deprived of it and giving it to somebody else is accepted,.....

Mr. N. M. Joshi : I did not say that. What I said was that those people who have got by violence have no moral right to object to other people using violence

Nawab Major Malik Talib Mehdi Khan :which means that those who had acquired some property by unfair means have no right to keep it when their brethren are starving in the country, as chaos will be the result. What should we do then ? We should be required to divide it whether by consent or by force. Suppose it was divided in the year of grace 1933, and after another 20 years or so, we find the same inequality, because the Dispenser of bounties—whatever you may call him, I call him God—did not grant the same amount of brain power, wisdom and determination to each man or did not afford each person a chance to cultivate them. Another 20 years, and the man with better brain will again carve his fortune, another division, and so on. What will be the result ? The worker would lose his hard earned income. So, what is the use of working and applying one's brain if the idlers, who are sitting in the streets will come out to divide the property ? There will be no incentive left to work, and everyone will fly at each other's throat to deprive him of his earnings. Would my Honourable friend, Mr. Joshi, like that system to be adopted in India ? My Honourable friend, Mr. Brij Kishore, the Mover of the Resolution, belongs to the landed gentry, and has thus picked out his own subject, namely, land, but there is no reason, as I said above, why houses and every other property should not be safeguarded. There may be other persons who will come forward with Resolutions safeguarding such things. To urge that everything should be divided or that everything should be equalised is impossible. Instead of that, we ought to bring a scheme to ameliorate the conditions prevailing in this country. I know little of what is actually going on in the Western countries, but I find that there is plenty of work for Indians to do in their own country if proper steps are taken to have it done. I think it is the present system of education which is defective. Our young men, when they get into schools and colleges, the first thing that they learn is to abhor the occupation of their forefathers.

The President (The Honourable Sir Shanmukham Chetty) : The Member will resume his speech after Lunch. The House will adjourn till Half Past Two.

The House then adjourned for Lunch till Half Past Two of the

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Nawab Major Malik Talib Mehdi Khan : Sir, I was objecting to the present day education. What I mean by it is that the education in Indian schools and colleges is mostly theoretical, which we require it to be practical and it should be based on such principles that the callings and professions existing in India are improved by the products of these institutions. My second point is labour. I said in my opening remarks that there was plenty of scope in India for many years to come for the people to earn their livelihood. There is plenty of labour in the country, but we ought not to look down upon it. Unemployment, which is causing so much trouble in the country, is mostly among the educated classes who, as I said just now, do not get the proper education and find that manual work is beneath their dignity. If this can be remedied, there would be no unemployment or starvation in India for many years. My friend, Mr. Joshi, spoke something about the rights of people in property; I will not go far back now,—but refer the House to the Proclamation of the noble Queen Victoria made just after the Mutiny in which the rights in property were upheld and it was repeated by her successors. We have to take the facts as they are now and it will not serve any useful purpose to open the point and go back to the history of each holder of property. Not only will it not serve any useful purpose, but it will do harm. Unfortunately I find that an idea is gaining ground in the country that the rights of people in property should be enquired into from a given period, if not from the beginning. If I remember aright, I think Mahatmaji is also of the same opinion. He holds that we ought to go back for a hundred years and sift the position of each property as it is. Similarly, Pandit Jawaharlal Nehru toured in the Allahabad district and delivered speeches which tended to the disruption of the relations between landlords and tenants. I do not know what the conditions are in the United Provinces, but I can say that no difference exists in the Punjab between the landlords and tenants. The landlord knows that his interest is interwoven with that of his tenant and that his work cannot go on without the help of the tenants. He deems it his duty to support his tenants and make them as happy as possible; and, if there is no dispute between the tenant and the landlord, I would say that it would be very unwise to create disunion between them. With these remarks, I support the Resolution of my friend, the Mover, and am thankful to Government for their offer, as Mr. Bajpai said, to submit these proceedings to the Joint Select Committee of Parliament.

Mr. M. Maswood Ahmad : Sir, I whole-heartedly support this Resolution and I would remind my friend, Mr. Joshi, that it is not correct to say that landholders have taken possession of land by force. It is as incorrect as to say that Islam was spread by the sword. The history is this that in the Hindu period and in the reign of the Mughal Emperors there were waste lands and farmers. Landholders' ancestors spent money and offered services for getting the lands. Then they tried to make the lands fit for cultivation. They dug the tanks and they prepared big irrigation schemes. After lots of trouble

[Mr. M. Maswood Ahmad.]

and after spending a sufficient amount of money, they made the lands fit for cultivation purposes.

I do not represent the landholders' interests here. Rather I represent the tenants' interests much more and I can safely say that this Resolution is supported by the tenants as well. This resolution is as essential for tenants as it is for landholders.

I want to say, Sir, that those original landlords also are not found now in large numbers in Bihar and Bengal. The landlords, who are found in my province, are those who purchased land trusting in the announcement of the noble Queen Victoria. They trusted the words of Government and spent lots of money on purchasing these lands about which my friend, Mr. Joshi, says that they may be confiscated. There is a suspicion that the interest of the landlords and of the tenants conflict with each other, but, I say, it actually does not conflict. If landlords be eliminated, I think it will be impossible for tenants to keep the land in the present condition and the land will deteriorate. My experience is that nowadays landlords are doing much ; they are responsible for irrigation and all other things.

Mr. B. V. Jadhav : We are doing without landlords in Bombay.

Mr. M. Maswood Ahmad : That may be so, but that is not the condition in Bihar. In Bihar and Bengal, I think it will be impossible to keep the land in this condition without the landlords. Quarrel on irrigation and other things are going on in the fields and the only man on the spot is the landlord. It is impossible for tenants to spend thousands of rupees for making irrigation arrangements for a village. Tenants will have their tenancy in one village or two, but this irrigation system sometimes requires to be taken from two or three villages far off. Interests of two villages sometimes conflict with each other. It will not be possible for tenants to maintain this whole system.

If my Honourable friend, Mr. Joshi, wants to protect his other properties, like brain or body, then he may bring in a Resolution and, I think, neither the representatives of the landlords nor of the tenants will object. We will all try to save his brain and his body.

The question of compensation was discussed the other day here and Mr. Joshi came forward with a long list that compensation should be increased and so on and so forth. We do not say here that it should be increased or anything like it : we say that if Government want, for the benefit of the public, to take up land, they must give adequate compensation. We have trusted them. On their words we have spent thousands of rupees in purchasing lands ; so, if they want to honour their words, it is their duty to compensate when they require any land for the public use.

My Honourable friend has suggested, as I remember, that lands should be divided equally amongst all—no more to one man and no less to another man. Where was my Honourable friend, when he suggested the other day that the compensation for the man earning Rs. 10 should be so much, and that, for the man getting Rs. 200 a month should be so much : he did not suggest that the compensation should be uniform for all employees, whether they get Rs. 200 or less. He never suggested that all labourers should get equal pay. I say,

the idea is not possible at all. As I have read books on Bolshevism and about Russia, I find there also people exist who have more lands and less lands : in the whole world, I do not find any country which can be shown by my Honourable friend where lands are equally divided to all men. Our requirements are different : one man may have a large family and another man may require less. God Himself has not divided land or money to all His creatures equally. What has not been done....

Mr. N. M. Joshi : May I interrupt the Honourable Member....

Mr. M. Maswood Ahmad : I am not going to give way to the Honourable Member....

Mr. N. M. Joshi : I am standing to a point of order : is any Honourable Member entitled to put in my mouth words and sentiments which I did not express ? I never said one word about equal distribution of land in this country.

Mr. M. Maswood Ahmad : That is not a point of order, Sir. I have noted here, and if my Honourable friend will go and see his speech at the time of correction, he will find there what I have quoted here. If he now suggests that more and less land can be given, then I have got nothing to say on that point, and I hope my Honourable friend will correct that portion of his speech.

Mr. N. M. Joshi : I challenge the Honourable Member to take the report from the reporter and if he finds that there is no mention of equal distribution of land, I hope he will apologise to me.

Mr. M. Maswood Ahmad : If that is so, I will be certainly ready to omit it in my speech if allowed to do so. However, I am glad to hear that he has no objection in having more lands.

In connection with this Resolution, I will, further, say that it is a most innocent Resolution that has been moved and this is a principle which should be accepted everywhere, that whatever rights we have got in any land, the money which we have spent on purchasing lands *plus* the compensation should be paid to us if Government want to take it, and it should be defined in clear words in the future Constitution. With these words, I support my Honourable friend's Resolution.

Lala Hari Raj Swarup (United Provinces : Landholders) : Mr. President, I have great pleasure in according my support to this Resolution which has been moved by my friend, Rai Bahadur Brij Kishore. I will only say one word about what Mr. Joshi has said and then leave him alone. He said that land was a gift of nature and that some zamindars got it without any effort or by force of arms and so they did not deserve any protection. Barring a very few, say one or two per cent., I think, Sir, most of the zamindars at this time are such as have paid for the land that they have acquired ; and, as such, I do not see why he should take objection to this Resolution. My Honourable friend only says that if proprietary rights are to be taken away by the Government, the Government should give adequate compensation.

I am thankful to the Honourable Members of this House for having accorded support to this Resolution and especially to Sir Cowasji Jehangir and Mr. Bajpai for having advised the Zamindars to become natural leaders of the tenants and to improve their relations. I want to inform this House, on behalf of the landholders, that our relations with our tenants are as

[Lala Hari Raj Swarup.]

cordial as they could be. If at times you hear of agrarian troubles, they are simply fomented by certain sections of the people who want to carry their points with the tenants and take advantage of their ignorance. We have always been trying to support the cause of the tenants. As a landlord in the United Provinces, I can say that we have been fighting hard with the Government for the reduction in water rates which directly affects the tenants. This is only one instance and can be repeated, but I will only be content by saying that we have always stood by the side of the tenants. We went even further than this. When we found that changes in Tenancy Legislation were necessary, we did not obstruct though they meant some curtailment of our rights. As for instance, when in 1902, Government brought forward the first tenancy legislation in the United Provinces, all the landlords gave their whole-hearted support to that legislation, because they thought that it would improve the lot of the tenants. Similarly, also, in the case of the 1926 legislation. The House will, therefore, see that the Zamindars have never lagged behind in protecting the rights of the tenants; and, by moving this Resolution, they simply want that their own rights should be maintained and they should not be disturbed in protecting their own rights and the rights of their tenants. So, Sir, I support this Resolution.

Mr. Lalchand Navalrai (Sind : Non-Muhammadan) : Sir, I will not take a long time in giving my support to this Resolution. My chief purpose in getting up to speak is to draw the attention of the House to the relations between the Zamindar and tenant in Sind. I must say at the very beginning that, in considering this Resolution, the debate has drifted very far away. This is a restricted Resolution and we should have confined ourselves to the Resolution alone without thinking and indulging in socialism, communism or even "Joshism". We have nothing to do with those questions with this restricted Resolution before the House....

Mr. N. M. Joshi : May I ask the Honourable Member what the relations between landlord and tenant have to do with this Resolution? This Resolution asks for a constitutional right.

Mr. Lalchand Navalrai : In placing the Constitution aright, if the Zamindar wants that the Government should be fair to him, protect his rights and put them in the Constitution, I say the peasant and the tenant require the same to be done by the Zamindars. I was submitting that we have nothing to do with anything more in considering this Resolution. We are confusing the question altogether if we go beyond it....

Mr. N. M. Joshi : You are.

Mr. Lalchand Navalrai : I am not. On the contrary I submit that there was no question here of seeing what is going to happen hereafter when the Honourable Mr. Joshi expects communism to come into India. Sir, communism is said to have done the greatest injury to humanity outside, and nobody should even think of introducing it in India. The rights of the tenants and of the Zamindars have to be equally protected.

Now, Sir, coming to the Resolution itself, we find that this Resolution wants only two things; one is that the vested rights of the Zamindars should be incorporated in the coming Constitution so as to give them the necessary protection, and the second is that there should be no such measure by which a Zamindar's land could be confiscated by Government without paying him compensation. Sir, when I read this Resolution this morning, I

was wondering why such a Resolution had at all been brought forward. I was feeling that the rights of the Zamindars were vested rights, and that the present Government had not done anything to deprive the Zamindars of their vested rights. I again put a question to myself as to why the Honourable the Mover had brought forward this Resolution when the Government had never offended anyone in that direction and when the thing is perfectly patent in itself. Then I looked at the second portion where it is said that no land should be taken away without compensation. Then also I was similarly wondering, because there was actually the law on the point,—there was the Land Acquisition Act which says that, if any land is needed by Government, it is legally taken from the owner on it after paying him due compensation. But when I heard the debate,—I am not blaming my friend for bringing forward such a Resolution,—and when I heard my friend, Mr. Joshi, I thought it would really create an impression among the Zamindars that something wrong was going to be done to them and, therefore, my friend had every right in coming forward with a Resolution like this asking the Government to protect the Zamindars by inserting the necessary safeguards in the new Constitution. Sir, I again say that the Government are sincere on this point,—they are sincere for two ways. When we read clause 75 of the White Paper, we find that it does not say that Government are not going to protect the vested rights; on the contrary they say that there is every likelihood of the necessary safeguards being incorporated into the Constitution with regard to property and person and we had it just now from a responsible member of the Government, I mean the Secretary in the Education Department, who plainly told us that Government had no intention of doing anything wrong like that to adversely affect the interests of the Zamindars. On the contrary, he advised caution and patience to the Mover of the Resolution, until the matter was decided in England, but, in my view, there is absolutely no fear that Government will do wrong in this matter. We have been asking for declaration of rights, and this is one of the declaration of rights that these gentlemen want should be included in the Constitution. When I heard my friend, Mr. Joshi, for whom I have always got regard, because he is very sincere in putting forward his views and he is bold enough to place his views in this House, because it is not everybody who can come forward and place his personal views in a House like this so undauntedly, I give him full credit for that,—but when I heard my friend, I must say that he was wrong in accusing the Honourable Member—the Mover—for bringing forward a Resolution of this kind instead of a general Resolution. When he comes forward with Resolutions and questions in this House, does not my friend, Mr. Joshi, restrict himself to labour questions and Resolutions on matters of labour? Has he always brought forward general Resolutions with regard to the rights of the people? Therefore, Sir, the gentleman who has brought forward this Resolution is perfectly within his rights, because he has interest in land, and surely it is only but right that he should come forward with Resolutions relating to land in which all of us are also interested. I submit, Sir, it was wrong on the part of Mr. Joshi when he said that the Resolution, even if worded in some other form, would not be acceptable to him.

Then, again, Sir, I have no doubt that this Resolution will be accepted by the Government and the Constitution will be framed in accordance with the terms of this Resolution. I don't say that only this declaration of rights should be incorporated in the new Constitution, I certainly want

[Mr. Lalchand Navalrai.]

that other rights of ours should also be included in it. This Resolution, of course, does not call for reference to conditions under which land came in possession of Zamindars, but I might tell my friend that India's land was Indian, and the Indian people divided the land between themselves. That is how the land descended down, and some lands were since then transferred from one hand to another, and so on. I do not know why such questions should have been raised at all. The Resolution will undoubtedly be acceptable to Government and to every one of us on this side, but I want to give one advice to the Zamindars and it is this. Sir, I was very glad to hear from my Honourable friend from the United Provinces that the Zamindars there were very fair and that they provided with all sorts of amenities to their tenants. I am very very glad to learn it, but, Sir, the condition of our Zamindars in Sind is quite different. There, Sir, the Zamindar wants to devour the tenant; he is not only unfair to the tenant, but his interests are detrimental to the interests of the tenant; he robs him and he keeps him uneasy. (*An Honourable Member* : "Shame.") Sir, it is really a shame, and I want that my voice in this House should reach the Zamindars in my province so that they might improve the present conditions.

An Honourable Member : It is loud enough.

Mr. Lalchand Navalrai : I know it is. Sir, I need not go into details now. This is not the time for it. I think it is sufficient for me to say that the Zamindars in my province are not treating their tenants fairly and properly. But, Sir, for this I would blame the Government as well, and it is for this reason. The Zamindar wants to hoard up all the land, he would like to have every piece of land that can be got to be in his possession, and a certain type of him would play the part of a bull dog or a pet dog of Government. He tries to please the Government; he is always with the Government, and he does it from purely selfish motives. He wants more and more land, and every big Zamindar in Sind has been given enough land by Government, and when he becomes bankrupt or goes to the Insolvency Court or when his estate gets under the protection of Encumbered Estates Act, Government again come forward and give him large acres of land, on the plea that the Zamindar has to maintain the dignity of his house. Is this fair? Therefore, the Zamindar in my part of the country has been spoiled by Government. I hope the Zamindars in Sind will improve themselves. This Resolution by implication does ask the Zamindars to be fair to their tenants, and, in that sense, this Resolution is not restricted to big Zamindars alone, because there are small landlords also who hold land and in some cases are harsh to their tenants. When the Constitution will protect the rights of the land, surely the other rights also will be protected and embodied in the Declaration of Rights. Therefore, I hope this Resolution will commend itself to every Member including my friend, Mr. Joshi, who, I know, is open to conviction.

Several Honourable Members : Sir, the question may now be put.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is that the question be now put.

The motion was adopted.

Rai Bahadur Lala Brij Kishore : Sir, I am very thankful to the different Members of this House who have taken the trouble to support this Resolution. I am also glad to know that the dangerous doctrines enunciated by Mr. Joshi have not been subscribed to by other Members of this House and a sufficient reply to his arguments has been ably given by my friends, Mr. James and Sir Cowasji. I am also glad and am thankful to Mr. Bajpai for the sympathetic reply which he has given and also for his promise to forward a copy of this debate to the Joint Parliamentary Committee. I think it would be more forcible if this Resolution is carried unanimously and then sent to the Joint Parliamentary Committee. There are no other points which require any reply. I, therefore, do not wish to waste the time of the House and I commend this Resolution for your acceptance.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That this Assembly recommends to the Governor General in Council to take steps to get incorporated in the new Constitution a provision to the effect that the proprietary rights of any citizen in the land should not be taken away for any reason whatsoever without the payment of adequate compensation.”

The motion was adopted.

RESOLUTION *RE* ADMISSIONS TO THE MILITARY ACADEMY.

Mr. B. N. Misra (Orissa Division : Non-Muhammadan) : Sir, I beg to move the following Resolution that stands in my name :

“ That this Assembly recommends to the Governor General in Council :

- (1) that steps be taken to increase the number of admissions to the Military Academy both by direct examination as well as by selection from the ranks ;
- (2) that if this be not found practicable at present, steps be taken to increase the number of admissions by selection from the ranks and especially from the ‘ Y ’ cadets before they pass the age-limit.”

Sir, my object in putting this Resolution before the House is to draw its attention to the unsatisfactory and slow pace we are going on with the *Indianisation* of the army. Honourable Members know that at present we are taking 60 cadets a year by both direct examination and selection from the ranks and, if the annual recruitment of Commissioned Ranks in the Indian Army be approximately 120, we can ultimately only aspire to a 50 per cent. ratio of Indians to British Officers at the most and that in not less than a period of 25 years. This is quite simple arithmetic. Now, Sir, I ask the House to consider this position fully. I maintain that unless the pace of Indianization is more than 50 per cent. of the annual recruitment, it is absolutely impossible to achieve our object, namely, the Indianisation of the Indian Army within a reasonable distance of time. If the objective before all of us is to achieve the status of a Dominion, any scheme of Indianisation of the army, which we are working, at present, or which may be drawn up in the future, must have a direct relationship to that objective. To be frank, I want to know whether the present pace of Indianisation, which leads us only to 50 per cent. after a period of about a quarter of a century from now, satisfies the legitimate

[Mr. B. N. Misra.]

wishes of the people of India. Unless more vigorous steps are taken, it will remain a pious hope. We, as responsible public men, do urge upon the Government that a scheme must be prepared so that public opinion may be satisfied that there is a reasonable chance of the Indian Army being Indianised within a reasonable distance of time and the responsibility of self-defence being made over to the Indian Parliament at some time or other in the near future.

Sir, the question, therefore, is that the number of admissions to the Indian Military Academy be *increased* to more than half the number of vacancies that occur every year, so that the objective, namely, the Indianisation of the Indian Army be achieved within a reasonable distance of time. I do not want to limit the qualification of the Indian Cadets. You can put them to a thorough test. I do not desire the efficiency of the Army to be in the slightest degree impaired, because we shall be putting in their hands the property and the lives of 35 crores of men. I am for very rigorous and strict tests of their capacity. But, what I cannot understand is that, with an ample material and a heroic history behind us, it is thought that we cannot produce 120 boys per year from amongst nearly one quarter of the world's population who will be able to stand the most rigorous and strictest test of efficiency before they are granted King's Commissions. Sir, the lessons of the Great War are not yet forgotten nor will they be ever forgotten. Our soldiers stood the horrors and the gravest consequences of the War as well as any other nation of the world and they proved their mettle. You can have no better test of endurance and heroism.

I wish to refer to the scheme adopted by the Government of India in 1922 which contemplated complete Indianisation of the Indian Army within 30 years. Turning to Appendix I to that report, the number of commissions to be granted during the first 14 years according to that scheme annually averaged 81.4. The number to be granted during the second period averaged annually 182 and the number to be granted annually during the third period averaged 227 on an increasing scale. In this way the scheme contemplated complete Indianisation of the Indian Army in 30 years. Sir, I hold that there is no reason to think that the conditions which existed in 1922 have undergone such a material change that the same principle cannot be adopted now. With the development of the new political structure in India, the defence of India must to an increasing extent be the concern of the Indian people and not of the British Government alone and, in order to give practical effect to this principle, the rate of Indianisation in the Indian Army should be commensurate with the main object in view, having regard to all relevant considerations such as the maintenance of the requisite standard of efficiency. We must have more Indians in the Army. Our sole concern must be to have an increasing number of Indians in the Army. For so many years, only Europeans have been employed in the Army. Indians have not at all been encouraged. If they have been engaged, it is only as sepoys and not as officers. What I plead before you is that Indians must be officers in the Army. With these words, I move my Resolution.

Mr. President (The Honourable Sir Shanmukham Chetty) : Motion moved :

“ That this Assembly recommends to the Governor General in Council :

- (1) that steps be taken to increase the number of admissions to the Military Academy both by direct examination as well as by selection from the ranks ;
- (2) that if this be not found practicable at present, steps be taken to increase the number of admissions by selection from the ranks and especially from the ‘ Y ’ cadets before they pass the age-limit.”

Mr. B. V. Jadhav (Bombay Central Division : Non-Muhammadan Rural) : The Resolution is divided into two parts. The first part has been adequately dealt with by my friend, Mr. Misra. Therefore I need not refer to that portion of the Resolution. His Excellency the Commander-in-Chief in the other place explained the military policy of the Government of India and therein he said that the present was not the time for increasing the number of admissions into the Military Academy. This is not the place to criticise that declaration and I shall confine myself to the second part of the Resolution that—

“ if this be not found practicable at present, steps be taken to increase the number of admissions by selection from the ranks and especially from the ‘ Y ’ cadets before they pass the age-limit ”.

Admissions to the Military Academy are of cadets from two categories. Thirty cadets every year are admitted on the strength of a competitive examination and 30 more are admitted from the ranks. When the scheme was first started, it was feared that the supply of cadets from the ranks will not be sufficient for the 15 cadets wanted every six months. So the Government at that time took steps to induce capable young men to join the army and to qualify for admission into the Military Academy through the ranks and these young men who were specially induced to join the army are now described as the ‘ Y ’ cadets. A number of questions have been asked and answered on the floor of this House and the condition of recruitment of the ‘ Y ’ cadets has been fully explained to the Members here. It is evident that these ‘ Y ’ cadets were induced to join the army in the year 1930-31 and although no specific promise was made to them, expectations were raised in their minds that if they were properly recommended and if they pass the test that was required of them, they will have a preferential claim to be admitted into the Military Academy. But since the enrolment of these ‘ Y ’ cadets it was found by the army authorities that persons already recruited into the army and serving in the commissioned and non-commissioned ranks of the various regiments were also drawn from the properly educated classes and that they were also eligible for admission into the Military Academy. So, the fear that was at first entertained that a sufficient number of cadets would not be available was found to be unfounded and it was found that the supply from the ranks ordinarily recruited was nearly sufficient.

[At this stage Mr. President (The Honourable Sir Shanmukham Chetty vacated the Chair which was then occupied by Sir Leslie Hudson, one of the Panel of Chairmen.]

Now, a sort of a competition has arisen between the ‘ Y ’ cadets and the men who come regularly from the army. The ‘ Y ’ cadets joined the army with expectation of being sent up to the Military Academy ; but the recruits that were ordinarily recruited in the army did not join

[Mr. B. V. Jadhav.]

the army with that expectation. Their highest expectation was to rise to the Viceroy's Commission and at the end of their service to be Subedar-Major or Risaldar Major. Of course, according to the new rules they were perfectly legible for being sent to the Military Academy if they were found fit and I am glad and rather proud of the army that they are supplying men in sufficient numbers from the army to take up the vacancies in the Military Academy. But, Sir, on account of the unexpected supply from the regular army, the chances of the 'Y' cadets have been rather shaky and many of the parents of the 'Y' cadets are entertaining reasonable fears that perhaps at the end of three or four years their sons might be thrown out of the army. It is to ventilate this feeling of the parents that this Resolution appears to have been tabled by my learned friend. Sir, there were in all, as we were told here, 34 cadets recruited, out of whom about seven or eight have been already admitted into the Military Academy. Three have resigned and two or three are found to be not fit for the officer's job in the army. So, I am given to understand that about 20 candidates are yet awaiting their admission into the Military Academy. The recruiting of 'Y' cadets has been stopped since 1931 and no more cadets are now taken on those conditions. Therefore, this number is a very limited one and the second part of the Resolution asks Government to make special provision for these young lads. These young lads have mostly come from the colleges. They have joined the army in the lowest grade on the expectation that they will have an opportunity of serving their country by being sent to the Military Academy and afterwards serving in the officers' ranks. The military service is not a very remunerative service. The expenses of the officers are very heavy and it is found that at least in the first five or six years the salary that is paid them is not sufficient to maintain an officer. Therefore the parents or the guardians of the young officers have to supplement their salaries. So, from the pecuniary point of view the military service is not a very attractive one. These youngmen from the colleges have joined the service in the lowest rank and are roughing it not for the sake of lucre but for higher sense of service to their country. These youngmen were spending Rs. 50 to Rs. 70 a month in their college career and now they have to serve on Rs. 16 a month in the army with all the inconveniences and hardships to which a private is exposed. They are all doing it very courageously and it is very creditable to them. Now, I ask Government to see that they also discharge their duty by them. They were especially recruited and the commanding officers of the regiments to whom they were attached have been asked to submit quarterly reports about their work, and in the case of 20 cadets I am given to understand that the reports are almost satisfactory. It is for Government to see that they do something for these young men. I do not mean to say that the admission of the regular officers from the army to the Military Academy should be stopped in order to provide vacancies for these 'Y' cadets. It would be an act of injustice in the case of the ordinary officers who are found fit for the Academy. But, then, if Government finds it difficult to make provision in the number of admissions each six month to satisfy the claims of the officers from the regular army and of the 'Y' cadets, then the prayer of this House is that the number of admissions from the 'Y' cadets from the army should be increased in order to provide sufficient vacancies for the 'Y' cadets. This will be required to be done for a year or two and it will not be a permanent arrangement, because when these 20 cadets are

cleared off, then the regular admission of 15 officers from the army may be resumed. Therefore, we pray, Sir, that Government should take these things into consideration and send these 20 cadets to the Army as early as possible. This is the prayer that has been offered in the second part of the Resolution. These 'Y' cadets as well as the officers from the army have to be admitted into the Academy before they complete their 25th year. There is an age-limit. If this age-limit is passed before they are admitted into the Academy, then their whole career will be blighted and it is for this reason that this prayer is placed before Government.

Mr. Chairman (Sir Leslie Hudson) : The Honourable Member has one minute more.

Mr. B. V. Jadhav : At the same time, I pray that those persons who have been found or will be found unfit for the officers' ranks should also be provided by the military authorities in the Military Finance Department or some other civil employment, so that those boys who left their college career need not be sent away in search of other jobs. They have left their college career and cannot resume it. If they are now asked to resign the army, they will be thrown out of employment and their lot will be a hard one. Therefore Government should take steps to provide them with suitable jobs.

Captain Sher Muhammad Khan Gakhar (Nominated Non-Official) : Sir, I rise to make a few observations on the Resolution under discussion. At the outset, I wholeheartedly thank my Honourable friends, the Mover and Mr. Jadhav, for taking keen interest in improving the position of the Indian Army ranks. After all they have realised that something substantial must be done to improve the standard of education among the Indian army ranks. The Indian soldiers have proved in many battle-fields to be not inferior to any other soldier of the world. Before I proceed further, I wish to clear a doubt regarding "Y" cadets. I think in the minds of many Honourable Members there is a difference between "Y" cadets and Indian ranks. As far as I know, there is no "Y" cadets in the Indian army. The other day I asked a question to the Army Secretary about the definition of "Y" cadets. The Army Secretary said :

"As I attempted to explain the other day, the 'Y' cadet is the term used in this country and is a term applied to certain young men who went in for open competition of the army and failed to secure sufficiently high marks to get a place and were then given an opportunity of getting into the Indian army by entering some regiment or other as a sepoy and, thereafter, running their chance of securing cadetship in the Indian Military Academy."

In the Indian Military College Committee Report, paragraph 40, they have simply mentioned "Indian army cadet". They have sanctioned some privileges only for the "Indian army cadet", not for "Y" cadet. They say :

"We consider that like the army cadets at the academy the Indian army cadets should receive their education at the Indian military college free of charge."

They never mention the word "Y" cadet. I do not know how this expression has come to the minds of my Honourable friends. It is a very old expression which used to be prevalent in the British Army when the ranks were given Commissions in the Sandhurst and they were called "Y" cadets. But here, in the Indian Army, any young man who joins the Indian ranks is entitled to go for the examination and, if he

[Captain Sher Muhammad Khan Gakhar.]

receives a special certificate, then, on the recommendation of C. O., he is liable to be selected to go to the Indian Military College. In the second part of the Resolution, the Mover says :

“ That if this be not found practicable at present steps be taken to increase the number of admissions by selection from the ranks and especially from the ‘ Y ’ cadets before they pass the age-limit.”

I must bring to the notice of the Honourable the Mover that there is no “ Y ” cadet and, therefore, the Resolution should simply be “ by selection from the ranks of the Indian Army ”.

Mr. B. V. Jadhav : May I remind the Honourable Member that in the speech of His Excellency the Commander-in-Chief, on the 1st October last, at the opening of the Military Academy, he also used the term “ Y ” cadets.

Captain Sher Muhammad Khan Gakhar : No doubt the term is used. But there is no “ Y ” cadet officially recognised in the Indian army. As a matter of fact, the term is used for the Indian army cadet.

Mr. B. V. Jadhav : Then ultimately that term will cease.

Mr. S. C. Mitra : The term is well understood by everybody.

Captain Sher Muhammad Khan Gakhar : For the Indian army cadet there is some sort of standard of education laid down and that is called special certificate. If he passes the special certificate, he is entitled to be recommended for selection as an Indian army cadet. What I want to bring to the notice of my Honourable friend, the Army Secretary, is about the education of the Indian army cadets. In the open competition, they take the boys who come out of college with high education and, after selection, they go to the Indian Military Academy where there is a handicap to the Indian army cadets, because the latter have to compete with brother cadets who have very high educational qualifications. If my Honourable friends really want to improve the conditions and the position of the Indian army cadets, then they should support me in the following suggestions. Owing to a very keen competition for admission to the Indian Military Academy, very highly educated candidates, with a thorough grounding, by paid coaches of exceptional merits, appear for the Indian Sandhurst open competitive examinations, whereas candidates who have received education at the King George's military schools, Jhelum, Jullundur and Ajmer, are generally in a disadvantageous position when competing against such candidates, owing to the fact that the education imparted to them by Indian officers employed in the military schools of Jhelum and Jullundur is out of date. The Indian officer instructors are not highly educated and have had no proper educational training and are, therefore, not fitted to instruct their students so as to enable them to compete with their fellow competitors. I, therefore, humbly suggest that the tutorial staff in the King George's military schools of Jhelum and Jullundur should be civilians of highest educational qualifications preferably with up-to-date knowledge of their special subjects. I wish to point out that it will be possible to effect an economy in the expenditure of these schools in this way as the salaries now paid to the Indian officers would be in excess of what the civilian teachers will receive. The present standard of education, though much improved, since the last two years, falls much short of what is required for the

Indian Sandhurst competitive examination. I would add that one Indian officer and three or four non-commissioned officers should, however, be retained in the cadre of instructors for the purpose of drill, etc.

The second suggestion is this. I. is a matter of sincere gratitude that the military authorities in India have recognised the services of the old Indian army by granting 50 per cent. of the King's Commissions to educated Non-Commissioned Officers serving in the Indian army, but most of the Indian officers, while appreciating fully the idea of Indian Army cadet, complain that no preferential treatment is meted out to their sons in the selection of the three vacancies which are entirely left in the hands of His Excellency the Commander-in-Chief in the competitive examination for admission to the Indian Military Academy and which they consider should go to the sons of the deserving Indian officers. They believe that owing to their services in the Indian army, during the long past and their sacrifices and achievements in upholding and even enhancing the reputation of the army, their sons are deserving of special preferential treatment as even now the rank and file in the army consists of their own kith and kin. They further request that, while selecting cadets from amongst the educated Non-Commissioned Officers of the Indian army, preference may kindly be given to the sons of the deserving Indian officers who have served the benign Government with great distinction. In conclusion, I hope my Honourable friends will have every sympathy to improve the conditions of the Indian army cadets. (Applause.)

Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) : Sir, I had to do something with regard to the entrance of a certain candidate into the Indian Sandhurst and I, therefore, feel that having taken an interest in it I have certain views on this question.

Sir, the Resolution, as it is worded, only means that what is required is further and more Indianisation of the army. On this question it cannot possibly be denied that Government have made a beginning in order to recruit Indian officers into the army. But our complaint is that the process is very slow. It is a snail's pace and we do not know when we are going to achieve our ultimate goal of Indianisation. As it is at present, I find that there are so many technicalities and difficulties in getting into this Academy which may be called the Indian Sandhurst that it is high time that there should be encouragement given to the candidates to enter the Prince of Wales College and the Academy. Sir, I submit that that allegation, which was being thrown into our face that there is a dearth of candidates, is long past. There are plenty of candidates now and people are anxious to send their children into the Prince of Wales College and, if there are any difficulties there, they should be solved and encouragement should be given. Sir, I said I had to do something with the entrance of a certain candidate into the Indian Sandhurst. I know a case in which a certain candidate had been sent up. The procedure with regard to the Prince of Wales College is that a student should be under 12 years of age and that he has first of all to approach the District Magistrate of his district and get a certificate from him, which is rather not easy. Then, if he is fortunate in securing that certificate, he has to go to the Civil Surgeon. Of course I do not think there is much difficulty there. Then he has to go to the Provincial Government. The Provincial Government has to recommend him, and then only that candidate can come up for selection before His Excellency the Commander-in-Chief at Delhi. Now, you can

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take it from me, Sir, that influence is required to go through all this ordeal. It is not, as a matter of course, that the candidates are selected in that manner. Great influence has to be exercised and then only they can be sent for selection before His Excellency the Commander-in-Chief.

Mr. G. R. F. Tottenham (Army Secretary) : Sir, may I interrupt the Honourable Member for one minute ? The Resolution before the House deals with admission to the Indian Military Academy at Dehra Dun and has nothing whatever to do with the Prince of Wales College, which is merely a public school for preparation for the army. I thought I might remove that misapprehension because, from what Mr. Lalchand Navalrai was saying, the House might get the impression that entrance into the Academy was a matter of influence, and so on. Entrance into the Military Academy which we are now discussing is entirely by open competition held by the Public Service Commission.

Mr. Lalchand Navalrai : If my Honourable friend had waited a little, he would have found that I was coming to the Academy in a short time and show the Honourable Member what the difficulties were with regard to that Academy. My submission is that it is this Prince of Wales College which gives tuition to these young boys, keeps them for seven years and then sends them up for the Academy. The Prince of Wales College is a stepping stone to the Academy.

Mr. G. R. F. Tottenham : As a matter of fact, they do send a certain number of boys to the Academy, but the Government College at Lahore, for instance, and other different institutions have succeeded, I believe, in sending a larger number of candidates to the Academy than the Prince of Wales College at Dehra Dun.

Mr. Lalchand Navalrai : Therefore, I was within my rights in pointing out first of all the difficulties with regard to the Prince of Wales College.

Sir, to continue, I am much thankful to the Army Secretary who just got up to correct me. I said that there are certain technicalities in the way of candidates though I am thankful to the Honourable the Army Secretary for getting that boy, in whom I was interested, out of such a difficulty. I said that there was selection to take place before His Excellency the Commander-in-Chief. In that connection there are many difficulties that arise. In the instance which I have mentioned seven or eight candidates had to be selected from those recommended by the Provincial Governments. The boy in whom I was interested was not fortunate in getting the 8th place. It was given to somebody else and he was sent away. Then he had to appear in the next examination which was after six months. But just at that time he would have been about one or two days over age and, therefore, the parents, who were anxious to get that boy admitted into the Prince of Wales College, were very much exercised over this question. I had to approach the Army Secretary and he very kindly helped me in the matter. Fortune also favoured him and it so happened that the eighth boy who was selected did not appear at all so that there was a vacancy and he got it.

Well, Sir, what I wanted to point out was this that in encouraging these students to go into the Prince of Wales College and also to the Academy these small technicalities should not be stuck to. Then, the question, really covered by this Resolution, is that there should be an increase in the number

of candidates taken. To take only eight or nine students from outside is a very slow process towards getting Indian officers into the Indian army. Government, of course, are sincere in what they are doing about Indianisation, but they should see that it is made quicker, and that is the sole object of this Resolution. On this point, Sir, it will be very pertinent to refer to the statement of the Secretary of State, Sir Samuel Hoare, at the Round Table Conference on behalf of the British Government Delegation on the army question. I will quote a few passages and then ask what has been done since this statement was made and whether the assurance given by the Secretary of State has been implemented. He said :

“ Then there was the wider question of the case of Indianisation and there they were invited here and now to state a programme and to give almost an undertaking that at a particular date the whole of the Indian army would be Indianised. They could not act in that way. With the best will in the world nobody could give an undertaking of that kind. They had got to take into account a number of very important, and some of them rather obscure, factors.”

Then he made a statement of the difficulties with regard to the expenditure, military efficiency and some other. And now I will give the concluding portion of his speech : In the concluding portion he said :

“ Those were questions suggested to the Conference, upon which nobody could dogmatise at present ; the most they could do was to state quite categorically that their policy was a policy of Indianisation in as large a measure as was consistent with efficiency. They had shown their goodwill in setting up the Indian Sandhurst with very little delay and in quickening up the rate of the experiment upon which they were already engaged.”

Now, I would like to be enlightened by the Honourable the Army Secretary how that experiment has been carried out. He goes on further to say :

“ Let them not think that the Government had no programme and were simply drifting on. They had a definite programme, *viz.*, the Indianising of an Indian division and an Indian Cavalry Brigade and it was hoped that they would have other programmes of the same kind when they had seen how that experiment was going. As that experiment proceeded, if it proceeded satisfactorily, they would be able to have a more ambitious programme than that upon which they were now engaged.”

That was the statement made in 1932 ; and I would like to know how far that experiment has succeeded and how far we are now going to be put upon that ambitious programme.

Mr. G. R. F. Tottenham : Sir, as my friend, Mr. Jadhav, has pointed out, this Resolution falls into two parts : the Honourable the Mover dealt very clearly with the first part, and Mr. Jadhav, if I may say so, dealt even more clearly with the second part and explained the position of the ‘ Y ’ cadets in terms which were almost entirely accurate. I must deal with both parts of the Resolution. I take it that the object of the first part of the Resolution is to recommend that the number of admissions into the Indian Military Academy should be increased on the ground, so far as I understand it, mainly that the supply of suitable candidates now largely exceeds the demand. Even if that fact were true—and I do not deny that it would be possible to get a larger number of youths who would be capable of passing the entrance examination than the thirty a year which is now the rule—I do not think that it follows for that reason alone that we should necessarily increase the number of admissions. It might as well be argued that the strength of the Indian Civil Service should be increased because there were a large number of boys in the country who had the brains to pass the examination for entrance into the Indian Civil Service. It has been repeatedly explained to this House that the intake for the Indian

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Military Academy is calculated exactly to carry out the programme of Indianisation which is now the declared policy of Government : that is to say, to supply a sufficient number of officers to Indianise one whole Division and a Cavalry Brigade with all the necessary ancillary services. The annual intake required for that purpose, after taking into account the normal wastage and also the fact that the number of fully commissioned Indian officers per battalion in future will be greater than it is at present owing to the fact that in the Indianised army of the future the Viceroy's commissioned officer will not be required,—the annual intake required for that purpose is 60 a year. If therefore we were to increase the number of admissions to the Indian Military Academy to 70 or 80 a year, it would mean that we should be getting more officers than we require for that purpose : in other words, the demand for an increased number of admissions to the Academy is in effect a demand for an alteration in the present policy of the Government of India in respect of Indianisation. We have periodical debate in this House, and there have also been debates in another place, on this question of the programme of Indianisation ; and I cannot add anything to what His Excellency the Commander-in-Chief said on March 6th in another place in dealing with this subject. What His Excellency then said was as follows :

“ The programme of Indianisation was recommended and agreed to by the Sandhurst Committee over which I presided. That policy, Sir, was not undertaken without the most careful thought on the part of everybody concerned, and for reasons which I have very often given, I think the House must realise that we cannot alter it at a moment's notice.”

He went on a little bit later to say :

“ It is when the present officers have had 6 or 7 years' more service and are commanding companies, squadrons and possibly batteries that an advance might come. In another 6 or 7 years is the time to accelerate Indianisation ; and I am perfectly certain that if these young men who are now serving in the Army show when they have got 14 years' service that they are fit to assume the responsibility, which I think most of them will be fit for, there will be no question but that Indianisation will be very rapidly increased.”

Now, the time has not come to make that advance when the first batch of cadets has not yet passed out of the Indian Military Academy, and that brings me to another point in the first part of the Resolution. It seems to be assumed that because there is an ample supply of young men who are capable of passing this entrance examination, therefore they must *ipso facto* be suitable material to make military officers. That, I think, is a very large assumption to make. In fact it begs the whole question ; and I do think it is necessary to sound a note of warning against undue optimism in this respect. I have no doubt, at least I think, that if I had tried very hard I might myself have succeeded in passing any of the army examinations at home ; but I very much doubt whether I should personally ever have made a good military officer. The passing of the entrance examination is merely the first step on the ladder, and there are many rungs which have to be climbed before a man can prove his worth as a military officer. Even as it is, we have had some rather disquieting reports from the Commandant of the Indian Military Academy as to the quality of the candidates who have already succeeded in getting admission to that Academy. The Commandant, Brigadier Collins—and I am sure that every one who knows him will agree that no officer could be more sympathetic towards Indian aspirations and more whole-hearted in his determination to make

the Academy a success—has, as I say, reported that there is a very large difference between the quality of those candidates who get in at the top of the list and those who get in at the bottom of the list. The ones who get in at the top are very good, but of those who get in at the bottom some have already found the curriculum at the Academy too much for them. One or two have already had to drop out, and a few more have had to be put back for a term at least. We are making good these deficiencies so as to keep the Academy up to its full strength and not to retard in any way the progress of Indianisation ; but that does give some indication that the standard that we have at present set for qualifying for entry into the Indian Military Academy is on the low side, and that we may have to think about raising that standard.

Now, Sir, I must come to the second part of this Resolution which deals with the number of entries from the Indian Army and particularly with the question of ' Y ' cadets.

4 P.M.

What I have already said about increasing the total number of admissions to the Academy applies equally of course to increasing the number of Indian Army cadets. The only way that we could increase the number of Indian Army cadets would be at the expense of the open competition candidates, and I think the House as a whole will agree that that would be a most unfair step to take. I hope I shall also be able to show that it would be equally unfair to increase the number of vacancies for these ' Y ' cadets at the expense of the other Indian Army cadets. Now, Sir, there has been a good deal of talk about the term ' Y ' cadet. It is merely a convenient term to apply to a number of young men who, as I explained the other day, went in for the open examination for the Indian Military Academy and failed in the written papers to qualify at that examination, but who managed to catch the eye of the members of the Interview and Record Board at the time as being likely to prove good officers, if they really and honestly wished to join the army. Although, therefore, many of them did not come from families with military traditions,—and they were perhaps of a somewhat higher social standard than those who generally join the Indian Army as sepoys,—they were given a chance of gaining admission to the Indian Military Academy by securing one of these Indian Army cadetships, by being offered the opportunity of joining the army in the ranks as a sepoy.

Now, Sir, it seems to be assumed by my friend, Mr. Jadhav, that these young men were definitely induced to join the Indian Army and that they were given some kind of promise that if they did well they would ultimately get a commission or at any rate admission into the.....

Mr. B. V. Jadhav : What about the expectations raised in them ?

Mr. G. R. F. Tottenham : That is not true, Sir. I have here with me the actual letter written to these so-called ' Y ' cadets in 1931. It begins by saying :

" The Interview and Record Board before which you appeared in June last has brought to the notice of Army Headquarters that you are anxious to join the Army with the object of gaining through the ranks a nomination for the military college."

The letter then goes on to lay down the various terms and conditions under which they would be allowed to join the army and ends up by saying :

" You must distinctly understand that no promise of any kind can be given to you. Your progress will depend upon your conduct, industry and the attention you pay to your duties "

and so on.

[Mr. G. R. F. Tottenham.]

Now, Sir, I myself, and I think all the army authorities have nothing but respect and admiration for these young men. I think, Sir, that they showed considerable grit and determination in choosing this chance and deliberately undertaking a fairly hard life for several years in the hope ultimately of obtaining commissions in the army ; and I say, Sir, if they stick to it and succeed, all honour to them. But, Sir, they must not complain. That is not a way that they have in the army, and complaints, if they are unjustified, will do no good to anybody, and certainly will not do them any good. They went into this with their eyes open ; they knew that their success must depend entirely upon their own efforts. All that they were promised was a fair field and no favour, and I can assure the House that that promise is being strictly adhered to. As I explained the other day in this House, the officers at Army Headquarters receive periodical reports from the Commanding Officers on these young men,—I have seen those reports myself,—and I can assure the House that they are very careful and sympathetic reports, and that there is no trace of prejudice of any kind in them.

The facts are that, there were altogether 34 originally of these so-called ' Y ' cadets. Four of them were selected in 1930, and all those four have now got into the Indian Military Academy. In 1931 we selected a further batch of 30. Four again have succeeded in gaining admission into the Academy, three of them have retired at their own request thinking that they can do better elsewhere, and four of them have been discharged as unsuitable. That leaves 19 altogether who are still serving with their units. None of these young men have had more than two years' service in the army ; they still have several years to go before there is any possible danger of their being over-age, because the age limit in their case is 25. I do not think, Sir, that they have any right to consider, merely because they have had two years' service in the army, without any previous military experience, that they are the complete soldier already, or that they are in some way superior to the ordinary man who joins the Indian Army in the ordinary way. Many young men nowadays of a comparatively high educational standard do join the Indian army in the ordinary way. I know of several boys with university degrees who have joined as sepoy, and therefore it is a fact that these ' Y ' cadets have a fairly severe competition against them in the Army....

Captain Sher Muhammad Khan Gakhar : May I know, Sir, who is the authority who enlists these ' Y ' cadets ? Has the Commanding Officer of a regiment the authority to do it ?

Mr. G. R. F. Tottenham : As I have explained, they were given certain terms of enlistment on the recommendation of the Public Service Commission. They were recommended to particular Commanding Officers who took them on in the ordinary way as sepoy and on the recommendation of the authorities at Army Headquarters.

Captain Sher Muhammad Khan Gakhar : If they are qualified, are the Commanding Officers authorised to take them in their regiments ?

Mr. G. R. F. Tottenham : They were not compelled to do so, but they agreed to do so.

Now, Sir, as I was saying, the standard of education in the Indian Army generally seems to be a good deal higher than we ourselves had reason to expect some years ago. We have been rather pleasantly surprised and I can assure my friend, Captain Sher Muhammad Khan, that the Indian Army Cadets at the Military Academy have had no difficulty so far in holding their own with the open cadets. We always have our eyes open to the need of providing adequate educational facilities in order to give these young men in the army a fair chance of getting cadetships at the Academy. The suggestions he has made for improvements at the King George's School will certainly be taken into consideration. But my point is that it would be grossly unfair to the ordinary Indian Army man to give these particular 'Y' cadets any form of preference whatever in the matter of allotting vacancies at the Military Academy. The only complaint, Sir, that I can possibly see that these young men could have is that it would be unfair to keep them on in their units for too long if they were definitely unsuitable for vacancies at the Academy. On that account, we have recently asked Commanding Officers,—after all these young men have been in their units for two years and Commanding Officers should by this time have formed an opinion of their character and should be able to say of most of them whether they are likely to be unsuitable,—we have asked the Commanding Officers to inform the 'Y' cadets, whom they consider unsuitable, of the fact, as soon as possible, so that they may have an opportunity of taking up some other walk in life. Those who remain will have a very fair chance, indeed a very good chance, of eventually getting into the Indian Military Academy, provided that they are not too impatient about it and continue to do their best in their regiments. In fact, as I said the other day in answer to a question, I can assure the Honourable Member that the claims of the persons in question will receive every possible consideration at the hands of the military authorities, and that every effort will be made to give nominations to the Indian Military Academy to those who prove themselves likely to make good officers.

I am afraid, Sir, I can say no more than that, but what I have said will, I hope, convince my friend, Mr. Jadhav, and the other supporters of this motion, that the 'Y' cadets are being given a fair chance; and if that, Sir, is the portion of this Resolution to which my friends attach the greatest importance, I would ask them to accept my assurance that everything possible is being done in the matter and that there is no real cause for complaint.

Mr. B. N. Misra : May I say that the Army Secretary has not referred to the 50 per cent. Indianisation about which I put a question?

Some Honourable Members : Withdraw the Resolution.

Mr. B. N. Misra : I beg leave of the House to withdraw the Resolution.

Mr. Chairman (Sir Leslie Hudson) : Has the Honourable Member leave of the House to withdraw the Resolution?

Honourable Members : Yes.

The Resolution was, by leave of the Assembly, withdrawn.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

RESOLUTION *RE* GRIEVANCES OF THE TRAVELLING PUBLIC
ON THE ASSAM BENGAL RAILWAY.

Mr. President (The Honourable Sir Shanmukham Chetty) : Diwan Bahadur Harbilas Sarda has authorised Kumar Gopika Ramon Roy to move the Resolution standing in his name.

Kumar G. R. Roy (Surma Valley *cum* Shillong : Non-Muhammadan) : Sir, I beg to move the following Resolution :

“ This Assembly recommends to the Governor General in Council that immediate and adequate steps be taken by the Railway Board to redress the various grievances of the general travelling public and particularly of the public travelling by the Assam Bengal Railway.”

Sir, it has been my lot again to whisper in the ears of the Honourable Member in charge my woeful tale. I will whisper in the ears of the Commerce Member the woeful tales of my constituency with regard to the Assam Bengal Railway times without number till their grievances are redressed. His predecessor, the Honourable Sir George Rainy, assured me in 1931, in the conclusion of his speech, with these words :

“ I hope my Honourable friend, the Mover, will be satisfied that we will look into the points he has raised to see what we can do.”

But, to my utter disappointment, I have again to repeat that appreciable redress of our grievances has been made except one, and that is also partly.

Sir, I represented to the House various grievances on the Assam Bengal Railway out of which only one has been partly redressed, and that in connection with the bath of the upper class passengers. Mr. R. L. Bliss, the Agent of the Assam Bengal Railway, writes and informs me in his letter No. E.P.337 of October, 1931.....

An Honourable Member : 1931 ? 1931 ? It is 600 years !

Kumar G. R. Roy : Sir, we may have to wait for more than a century to have our grievances redressed ; we may have to wait for even 600 years :

“ With reference to your interview with me on August 6th, 1931.

Important junction stations have bath rooms equipped with bath and cold bath can be obtained but if hot water is required special arrangements would be required to be made with Station Masters concerned.”

All the rest have gone from bad to worse, the details of which I will submit, later on, before the House. This is just why I am going to repeat that I will, like Dickens's character, whenever I meet the Honourable Member, whisper into his ears times without number the most uninteresting piece of information and he may sneer like the “ Lady of Love ” “ Willis is barking ”.

Sir, in order to expedite the removal of the grievances on the Assam Bengal Railway, I personally went to Chittagong to see the Railway Agent and to explain matters to him by discussion there. I saw him on the 6th August, 1931, and explained matters in detail. Perhaps Honourable Members in this House do well remember the innumerable grievances I mentioned on the floor of this House. One of them was raised platforms with sheds in the stations. The Agent told me that, owing to the scarcity of funds, the question of raised platforms could not be considered. I requested him to proceed with the work gradually, though not all at a time, in one or two stations every year. He told

me, if I remember aright his wordings, that "Blue Pencil" would go in Delhi and Simla from one end of the paper to another straight off if he proposed any expenditure on the raised platforms question, while, Sir, for the convenience of the passengers, to construct raised platforms in one or two stations may mean a nominal expenditure of Rs. 1,000 to Rs. 2,000 only.

May I ask the Honourable Member in charge of Railways how much he did sanction to set up electric installation at Badarpur during these financial crisis and for whose convenience? Perhaps it will be amusing..... (Laughter.) There are no laughing matters here. Perhaps it will be amusing for Honourable Members to note that, after the departure of 10 Down at 19 hours 47 minutes from Badarpur junction, there is no other train in the night. The first train that arrives in the morning at Badarpur is the 9 Up at 6 hours 14 minutes. This is one of the finest specimens of the strictest economy that is observed by our pet darling, the Assam-Bengal Railway, and this is how the Railways in India rise to the public grievance. A perusal of the "Assam-Bengal Railway Time Table" will bear me out. Here is the guide.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways) : Does the Honourable Member mean to present me with a copy, or does he lay it on the table?

Kumar G. R. Roy : It is for the Honourable Member's ready reference, because I will refer him to many instances out of this guide. This is how one of the most important public necessities was rejected at the outset in the interview on the ground of financial stringency. For the railway platform in the Assam-Bengal Railway Stations, the Honourable Mr. Sasanka Mohan Das, my successor in the Assam Legislative Council, has raised his voice, but he was referred to this poor Member who has started barking since 1931, and is going on barking still.

Perhaps Honourable Members in this House have not forgotten that I represented in the House that one of the causes of the frequent flood in the Chargola and Longai Valleys was the silting up of the rivers Chargola, Longai and Poamara and that for the construction of the bridges by the railway which was interrupting the free flow of the water in the rainy season. I raised that question in the same interview with the Agent at Chittagong and here is the reply of the Chief Engineer of the Assam-Bengal Railway which has been forwarded to me by the Agent with a forwarding note No. E.P.1210, dated Chittagong, the 29th September, 1931. The letter runs thus :

"Dear Sir : Silting of the Longai and Chargola. At the interview you had with me in my office on 6th August, 1931, you stated that due to silting at the Longai and Chargola bridges the free flow of water is impeded. I enclose a copy of my Chief Engineer's letter No. W.178120, dated 23rd September, 1931, in this connection from which it will be seen that silting up is due to natural causes and not to the bridges themselves."

I am also tempted to read the contents of the Chief Engineer's letters which run as follows :

"Alleged silting of the Longai and Chargola. Your No. E.1337, dated 8th August, 1931. The bed of the Longai at the main line bridge has a greater average depth now than when the bridge was built. The Chargola does show some silting which is due to

[Kumar G. R. Roy.]

natural causes and not to the bridge. The Chorgola is not a very active river and there have been complaints about its deterioration up the valley for many years. In the 1929 flood there was no appreciable current and practically still water under the bridge, the discharge passing by the Puamara Bridge to the Longai and a similar state of affairs existed in the 1916 flood. Under these conditions, some silting is to be expected."

Though the Chief Engineer of the Assam Bengal Railway has followed the principle of *suppressio veri*, still he had not the heart to fully repudiate the allegations I made on the floor of this House in 1931. The Chief Engineer has plainly confessed that there have been "complaints about its (Chargola river) deterioration up the valley for many years". He has also confessed that the Chorgola does show some silting up which is due to the natural causes and not to the bridge. But, Sir, who is to arbitrate into the grievances if we go for redress against a railway question to the Member in charge of Railways, who is enjoying tranquillity in the salubrious climate of Shillong and who has no chance of losing a straw of his own in the flood, will promptly rise on his legs and reply that Assam Bengal is a "Company-managed" railway and that he has no control over it. The matter may be placed before the Central Legislature. So he is helpless to give us any relief there. So I tried to soften the heart of the Honourable Member in charge here, but we had no redress except the hollow words of solace. Recently in August last, flood has again threatened the Chorgola Valley.

Sir, Railways, be they Government or "Company-managed", might be the pet child of the Government here and Government there (in Assam). But inundation by repeated floods is a life and death question to the inhabitants of Chorgola and Longai Valleys. Is it too much if we expect that the Honourable the Member in charge of the Railways will rise adequate to the occasion and make a thorough inquiry into the causes of floods that frequent in the Surma Valley by which we are going to face extreme poverty gradually.

Sir, on the interview with the Agent at Chittagong, I represented to him the dire necessity of removing the Phakhoagram station from its present site to a more convenient and safe place. The Agent told me that he will inquire into the matter and let me know his decision. I have already said that I went to see him in the beginning of August, 1931, but I did not get a reply till February, 1932, on this subject. Seeing the unusual delay to get a reply, I wrote to the Agent on the 25th January, 1932. No. A-103, and it runs as follows :

"My dear Mr. Bliss, I came to learn from reliable sources that you are going to construct a permanent structure of Phakhoagram Railway station on the Chorgola Railway branch of your railway. Perhaps you remember that when I went to Chittagong and met you on the 6th August, last year, I requested you to remove the Phakhoagram station from its present site to the vicinity of your telegraph mileage Mark 258½ or 258¾, that is near Noa Nabin village. This site will be highly convenient to the travelling public of your railway from the both eastern and western bank of the Son Beal. This site will be convenient for both rainy season and winter traffic too. I am sure it will be convenient for goods traffic and not only for passengers. The boat will be within a few yards of the Railway station if the station is constructed to my suggested site. Almost all the railway earnings of Phakhoagram are derived from my Estate and my tenants, and as a flag station I think the income of Phakhoagram is not negligible on the K. L. V. and Chorgola line. I would also suggest, if you kindly accede to my suggestion of site, for the Phakhoagram station to create a siding on the said station. It is highly inconvenient for us to get goods loaded or unloaded

on the present site where Phakhoagram station is situated. For these inconveniences we get our goods by boats from Karimganj. The principal inconveniences and disadvantages of the present site of the Phakhoagram station are the following :

- (1) There is no road to go to the present Phakhoagram station except by the railway line by both sides of which there are narrow strips of paths. From my personal experience I am of opinion that there is every likelihood of serious accidents to the pedestrians who alight at Phakhoagram or entrain there. The people in this part of the country, I hope you will realise, have little experience of travelling on foot side by side with a running train, and there is every possibility of their being run over by a running train. The passengers from the eastern bank of Son Beal are to walk from Noa Nabin village, that is to say, the telegraph post 25½ to Phakhoagram station, that is about a distance of half a mile or above. Perhaps you will agree that this is undoubtedly a very dangerous practice to which the travelling public have no other alternative but to indulge.
- (2) There is a railway bridge of two spans which is also to be crossed and which has neither any foot path by the side nor the slippers are covered by anything and the travelling public, from the eastern bank of Son Beal and Noa Nabin village, have no other alternative but to cross the bridge over the slippers. Would you kindly imagine what would be the fate of the poor pedestrians if they slip down from the railway slippers over the bridge or if a running train meets the pedestrians on the middle of the bridge? The bridge is considerably high and the bed of the Phakhoacherra is covered with big slabs of stones.
- (3) The evening train from Karimganj to Dullaveherra arrives at Phakhoagram station at about 9 P.M. and the present Phakhoagram station, being situated within the hills and jungles, is frequented by tigers just after the departure of the train. This fact, I hope, will be corroborated by the Station Master of Phakhoagram. In fact, my tenants have reported to me several times that they met the king of the forest on the railway road and they escaped with their lives by the help of country torches and shoutings. Perhaps you will also agree that this is not also desirable that a railway station should be located in such a dangerous place if it can be avoided and that by a nominal expenditure. All these dangers could be avoided if the station is removed to my suggested site.
- (4) Of the womenfolk who intend to travel by the railway from Phakhoagram, I hope you will be able to imagine what it means.

Under the circumstances, I hope you will give my suggestion your kind consideration and select the site I have proposed for the New Phakhoagram station for which myself with my tenants will be highly obliged."

To this letter the Agent replied by his letter, demi-official No. A.918, dated the 3rd February, 1932, as follows :

"Your letter of 25th January. There is at present no intention to construct a permanent station building at Phakhoagram Railway Station.

2. If it is decided to do so at some future date or to move the present station building, your suggestions will receive careful consideration.

3. I regret very much that you were not informed of my decision not to move the existing station."

Sir, I am placing on the table a map for the Honourable Members to form an opinion as to what amount of apathy the Assam Bengal Railway Administration shows towards the inconvenience of the travelling public. I want this map* to go in the proceedings of the House. In this map Honourable Members will find the dangerous position through which the Assam Bengal Railway compels the passengers to travel. Sir, by the side of the Railway bridges I have seen notices with the inscription "Trespassers will be prosecuted", but the Assam Bengal Railway has forced the passengers to travel over the Railway bridge

*Not included in these Debates.

[Kumar G. R. Roy.]

and that at a Railway curve. In the map I have also shown my proposed site where the station could be conveniently removed. Sir, my apprehension of falling from the railway bridge at Phakhoagram has been a reality. On the 28th December, 1932, a peon of mine named Gokul Namasudra received serious injuries by falling from the Phakhoagram station bridge. The poor fellow had to remain in the Karimganj hospital for nearly a month and a half and now he has come out of the hospital with one hand practically useless for any work. The morning following I sent the following telegram to the Agent :

“ My peon, Muktarampore Gokul Namasudra, received serious wound by falling from Phakhoagram station bridge last night while going to escort officers from station, please note.”

Sir, I received no reply to my telegram from the Agent nor do I know of any inquiry being made into such a serious accident. Neither did he think it worth while to take any notice of the injured man in the Karimganj hospital, if not from any other consideration at least from the humanitarian point of view. Perhaps the House will be eager to know what will be the approximate expenditure of removing the station. The Phakhoagram station is a hut having a bamboo split roofing, bamboo split wall and bamboo posts. In any case, it will not cost more than Rs. 200 to build such a new hut. The removal of the station to my proposed site would not have cost more than Rs. 100. Having lost all hopes about the removal of this station, I tabled a Resolution on the 22nd July, 1932, reading as follows :

“ This Assembly recommends to the Governor General in Council that immediate steps be taken to remove the Phakhoagram railway station on the Karimganj Dullavenera section to a more suitable site.”

But I regret very much to bring to your notice, Sir, that since then I have not received any opportunity to ventilate the grievances of my constituency on the floor of this House. I also requested verbally Mr. S. C. Das, the District Traffic Superintendent, Badarpur, to cover the sleepers on the bridge with a few corrugated sheets for the pedestrians to walk over the bridge with some safety. The District Traffic Superintendent informed me later orally that the covering of the railway sleepers was not permissible under railway rules as it might mean that the railway allowed the bridge for the thoroughfare of the pedestrians. What a nice logic ! They will compel the passengers to travel over the bridge and the railway line as there is no other alternative but to proceed from Noa Nabin village to Phakhoagram, but they will not cover the bridge for the safety of the travelling public. We are having a railway of such “ Neroisms ”. Let us die by falling from the bridge, break our heads and limbs, but the “ Nero ” of Chittagong will fiddle on his harp as merrily as ever. I do not know if any other Honourable Member of this House can cite similar illustrations of railways in any other part of India. My Honourable friend, the Honourable Mr. Abdul Matin Chaudhury, is absent today. He had the pleasant experience of the Phakhoagram station and, if he were here, he would have borne me out. But here is our Commissioner, the Honourable Mr. Hazlett, to whom I had the good fortune of showing this Phakhoagram station and the conditions there while he was travelling in the train with His Excellency the Governor of Assam last August. I came out

to show him the awful plight of the passengers in the early part of a morning and I was compelled to rouse him from his sleep and show him the exact condition. I hope he will kindly bear me out what I say now. I pause for a reply.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member's time is up. But in view of the importance of the subject, I would allow him to continue his speech on the next occasion. The House will now adjourn till tomorrow.

The Assembly then adjourned till Eleven of the Clock on Friday, the 8th September, 1933.

LEGISLATIVE ASSEMBLY.

Friday, 8th September, 1933.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

STATEMENTS LAID ON THE TABLE.

The Honourable Sir Joseph Shore (Member for Commerce and Railways) : Sir, I lay on the table the information promised in reply to part (b) of starred question No. 373 asked by Mr. Gaya Prasad Singh on the 1st September, 1933.

STORES PURCHASE POLICY OF THE CALCUTTA PORT TRUST.

*373. (b) The Government of India understand that the policy of the Calcutta Port Commissioners as regards the purchase of their stores is to buy them on the most favourable terms obtainable regardless of the country of origin.

The following is a comparative statement showing the value of stores purchased in and out of India by the Port Commissioners during the last five years :

		Value of stores purchased in India (*).	Value of stores purchased out of India (†).	Total.	Remarks.
		Rs.	Rs.	Rs.	
1928-29	..	37,90,792	10,57,989	48,48,781	(*) Excluding the value of stores and equipment purchased in India by the Engineering Department of the Port Commissioners, of which the figures are not available. (†) The stores purchased outside India during the last few years consisted entirely of plant and materials not obtainable in India and of spare parts or renewals for machinery manufactured abroad.
1929-30	..	34,46,164	6,17,504	40,63,668	
1930-31	..	25,74,721	1,70,160	27,44,881	
1931-32	..	15,79,538	1,55,054	17,34,592	
1932-33	..	13,78,897	94,714	14,73,611	

The Honourable Sir Frank Noyce (Member for Industries and Labour) : Sir, I lay on the table the information promised in reply to starred questions Nos. 309 to 314 asked by Mr. Muhammad Muazzam Sahib Bahadur on the 9th February, 1933.

INADEQUACY OF THE SPACE FOR THE STAFF IN THE MADRAS GENERAL POST OFFICE.

*309. (a) A starred question No. 189, put by Rao Bahadur P. T. Kumaraswami Chettiar on the 16th July, 1930, referred to the adequacy of accommodation for the staff in the Madras General Post Office ; in reply it was stated that there was enough accommodation in the General Post Office for the entire staff.

(b) No. The Madras Postal Co-operative Credit Society and the Postal and R. M. S. Co-operative Benefit Fund vacated the accommodation in the General Post Office because of the high rent and not for the reason suggested.

(c) The Bag office has been removed to the General Post Office building but it is not correct to say that it has been located in a very inadequate place.

(d) The window delivery post boxes were removed as stated but the delivery department did not consequently become, and is not in fact, ill-ventilated and very congested.

(e) The Foreign Money Order Department is now properly located in the Money Order Department and the accommodation provided for it is not congested.

(f) The tiffin rooms hitherto occupied by Hindu staff were close to the latrine and have therefore been shifted to better rooms to which the accommodation provided is larger by 102 square feet in area than that formerly occupied. The tiffin rooms formerly in use will be utilised for official purposes when required.

(g) 429.

(h) The information is given in the statement attached.

Statement.

Names of Departments.	Maximum staff working at a time.			Accommodation required.	Space available.	Excess.	Short.
	Selection grade.	Time scale.	Menial.				
Money Order Department	2	27	3	Sq. ft. 1,610	Sq. ft. 1,360	..	250
Registration Department	3	21	3	1,410	1,581	171	..
Delivery Department ..	2	18	37	2,290	2,050	..	240
	(including 1 A.P.P.M.)						
Treasury .. ..	..	8	1	620	576	..	44
Sub-Accounts .. ..	..	4	1	220	168	..	52
Accounts	1	6	1	570	1,139	569	..
Correspondence Department (excluding portion allotted for records).	1	31	6	1,770	2,200	430	..
Accommodation in Correspondence Department reserved for records.	..	..	..	740	740	..	..
Savings Bank	2	8	1	820	1,086	266	..
V. P. Claims	1	18	1	1,470	1,116	..	354
Customs Examination ..	1	8	4	1,280	2,112	832	..
	3 (appraisers Customs)	4 (clerks Customs)					
Inland Parcel	1	7	6	920	2,156	1,236	..
Foreign Parcel	1	14	8	1,410	4,234	2,824	..
Bag Department .. ..	..	9	5	775	1,321	546	..
Mails Department .. ..	..	3	6	495	814	319	..
Deposit Department .. ..	..	4	1	320	312	..	8
Sorting Department .. ..	..	6	4	380	792	412	..
Stores Department .. ..	..	2	1	170	1,196	1,026	..
Inspectors	3	..	..	300	1,246	946	..
Counter space .. ..	..	15	..	300	733	433	..
	21	215	89	17,870	26,932	10,010	948
Space for the public in front of the post box range.	..	..	..	200	200	..	..
				18,070	27,132	9,062	..

INADEQUACY OF THE SPACE FOR THE STAFF IN THE MADRAS GENERAL POST OFFICE.

- *310. (a) 200 sq. ft. for a Postmaster, or
 100 sq. ft. for a Deputy or Assistant Postmaster,
 50 sq. ft. for a clerk, where a separate record room is provided,
 75 sq. ft. for a clerk where no separate record room is provided,
 20 sq. ft. for a clerk working at the counter where a standard counter is provided,
 20 sq. ft. for a postman or a member of the lower grade staff.

(b) Government consider that the scales of accommodation provided for the staff are reasonable and that they allow for the necessary working conditions. They would however be prepared to consider the special circumstances of any case brought forward by the Postmaster-General.

(c) If the question refers to the Madras General Post Office the conditions referred to in the question do not exist.

(d) The space occupied by the money order department is 1,360 square feet which is 250 sq. ft. less than that ordinarily admissible for the maximum number of staff working at one time in a day.

The maximum number of staff in the money order department is required to be on duty for one hour in a day and as the staff working during other times is below the maximum strength, the accommodation required for it varies from 1,350 sq. ft. to 1,400 sq. ft. The space now available does not therefore fall seriously below the normal standard.

INADEQUACY OF THE SPACE FOR THE STAFF IN THE MADRAS GENERAL POST OFFICE.

- *311. (a) Yes

(b) No. There is still left a space of 430 sq. ft. in excess of what is admissible according to standard.

INADEQUACY OF THE SPACE FOR THE STAFF IN THE MADRAS GENERAL POST OFFICE.

*312. Fans are stopped in certain departments following the example of the offices of the Local Government during October to March except on close and hot days when the weather conditions justify this. The hardship implied by the Honourable Member does not exist, as there is no congestion or serious obstruction to the free passage of air and light.

STRUCTURE OF THE MADRAS GENERAL POST OFFICE BUILDING.

- *313. (a) Between May, 1881 and April, 1884.

(b) Government are assured that the building is spacious and cool and the accommodation is considered adequate.

(c) If the Honourable Member refers to the space skirting the main hall between the railings dividing certain departments and the wall, this is approximately five feet.

(d) The space is ample to allow of the passage of the officials who have to work on this floor.

WANT OF PROPER LAVATORY ARRANGEMENT IN THE MADRAS GENERAL POST OFFICE BUILDING.

314. (a) The latrine accommodation in the General Post Office is reserved for the supervisory staff. The clerical, delivery and inferior staff use an eight seated latrine situated about 80 paces away from the main building. The numbers of the establishment using it are somewhat overstated in the Honourable Member's question.

(b) Representations on the subject of the provision of extended accommodation in tiffin rooms and latrines have been received, and the conditions in respect of the tiffin rooms have already been remedied. Arrangements for enlarging the latrines are in progress. The space occupied by most departments is in excess of requirements and in six of them it is slightly inadequate.

Mr. B. J. Glancy (Political Secretary) : Sir, I lay on the table the information promised in reply to starred question No. 64 asked by Mr. Gaya Prasad Singh on the 22nd August, 1933.

PRESENT POLITICAL AND ADMINISTRATIVE POSITION OF GILGIT.

*64. Gilgit proper is a part of Kashmir State and administered by them. The Government of India maintain a Political Agent at Gilgit, and also contribute towards the cost of maintenance of Kashmir State troops in the Gilgit Agency. The annual expenditure incurred by the Government of India is approximate seven lakhs (rupees 7,00,000). Out of this amount a sum of about Rs. 30,000 is recovered from the Kashmir State.

Mr. P. R. Rau (Financial Commissioner, Railways) : Sir, I lay on the table the information promised in reply to starred question No. 1652 asked by Mr. Goswami M. R. Puri on the 12th December, 1932.

RETRENCHMENT OF RAILWAY EMPLOYEES.

*1652.

Officers.	State- managed Railways.	Company- managed Railways.
Number of posts abolished or held in abeyance from 1st March, 1931	134	53
Number of officers retrenched or reduced from 1st March, 1931	55	19
<i>Inspectors.</i>		
Number of posts abolished or held in abeyance from 1st March, 1931	262	90
Number of Inspectors retrenched or reduced from 1st March, 1931	186	52

The difference between the number of posts abolished or held in abeyance and the number of officers retrenched or reduced on State and Company-managed railways is due to :

- (i) sanctioned posts being left unfilled in the interest of economy prior to the issue of orders in March, 1931 ;
- (ii) posts falling vacant subsequent to 1st March, 1931, due to transfer of their substantive incumbents not being filled ; and
- (iii) posts falling vacant on account of death, retirement, resignation, etc., not being filled.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly : Sir, the following message has been received from the Council of State :

“ I am directed to inform you that the Council of State has, at its meeting held on the 7th September, 1933, agreed, without any amendments, to the following Bills which were passed by the Legislative Assembly at its meeting held on the 1st September, 1933, namely :

- (a) A Bill further to amend to Indian Income-tax Act, 1922, for certain purposes ;
- (b) A Bill to regulate the possession of Wireless Telegraphy apparatus ;
- (c) A Bill further to amend the Land Acquisition Act, 1894, for certain purposes ; and
- (d) A Bill further to amend the Indian Railways Act, 1890, for a certain purpose.”

STATEMENT OF BUSINESS.

The Honourable Sir Joseph Bhore (Leader of the House) : With your permission, Sir, I desire to make a statement as to the probable course of Government business in the week beginning Monday, the 11th September. You, Sir, have already directed that in that week the House shall sit for Government business on Monday, Tuesday, Wednesday, Thursday, Friday and Saturday. Should our business for the current Session not be concluded on the last day of the week, it is probable that we shall ask you, Sir, to direct that the House shall sit on Monday, the 18th, Wednesday, the 20th, Thursday, the 21st and Friday, the 22nd September, 1933. Our reason for making the request, Sir, will be that it is most desirable that we should not carry over any appreciable amount of business to the November Session.

On Monday, the 11th, a motion will be moved for the election of Members to fill certain vacancies in the Salt Industry Committee of the Assembly. Thereafter, leave will be asked to introduce the following Bills :

1. A Bill further to amend the Imperial Bank of India Act, 1920, for certain purposes, and
2. A Bill to amend the Indian Lac Cess Act, 1930, for certain purposes.

This will be followed by a motion to commit to a Joint Committee of both Chambers the Reserve Bank of India Bill.

On Tuesday and Wednesday the business before the House will be the continuation of the discussion of the motion to refer the Reserve Bank of India Bill to a Joint Committee. On the conclusion of this business the consideration of any Legislative business entered in the lists of business for the present week and not concluded will be taken up.

The business for Thursday, Friday and Saturday will comprise :

1. Continuation, if not already concluded, of the motion for reference to a Joint Committee of the Reserve Bank of India Bill.

2. Motion for reference to a Joint Committee of the Imperial Bank of India (Amendment) Bill which it is proposed to introduce on Monday next.

3. Continuation of the motion, if not already concluded, to refer to a Select Committee the Indian States (Protection) Bill.

4. Motions to take into consideration and pass the following Bills :

- (1) the Indian Medical Council Bill, if not already passed ;
- (2) The Murshidabad Estate Administration Bill, as reported by the Select Committee ;
- (3) The Indian Merchant Shipping (Second Amendment) Bill, as reported by the Select Committee ; and
- (4) The Indian Tea Control Bill.

5. Motion to refer to a Select Committee the Factories Bill

6. Motion to re-commit to a Select Committee the Hedjaz Pilgrims (Quallims) Bill, as reported by the first Select Committee.

7. Motions to take into consideration and pass three short Bills which were introduced and passed in the other Chamber. These are :

- (1) The Negotiable Instruments (Amendment) Bill,
- (2) The Indian Arbitration (Amendment) Bill, and
- (3) The Cantonments (House-Accommodation Amendment) Bill.

8. Motions to take into consideration and pass the Dangerous Drugs (Amendment) Bill.

9. Business other than Legislative business which has appeared in this week's list and has not been disposed of. This includes :

- (1) Motion relating to the future administration of Aden,
- (2) Supplementary and Excess Demands for Grants, and
- (3) Motion in connection with the levy of dues in respect of lighthouses and buoys.

THE RESERVE BANK OF INDIA BILL.

Mr. President (The Honourable Sir Shanmukham Chetty) : Before calling upon the Honourable the Finance Member to make the motion which stands in his name, the Chair desires to make just one observation. It is usual, according to the convention established in this House, at this stage of asking for leave to introduce any Bill, for the Mover to make only a very short statement. But in view of the special importance of the Reserve Bank of India Bill, the Chair proposes in this case to depart from that convention and permit the Honourable the Finance Member to make a longer statement than is usually allowed in such circumstances.

Mr. B. Das (Orissa Division : Non-Muhammadan) : Sir, you have been pleased to suggest that the Honourable the Finance Member should make a long speech. When the Reserve Bank Bill was introduced last time, Sir Basil Blackett introduced the Bill first and afterwards he made his motion for circulation and made a long speech. I cannot understand why there should be a departure today.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member will understand it now.

The Honourable Sir George Schuster (Finance Member) : Sir, I move for leave to introduce a Bill to constitute a Reserve Bank of India.

I am most grateful to you, Sir, for having allowed me a certain latitude in this matter recognising, as you have done, that it is a very special occasion. But I trust that this House has not been unduly alarmed by what you have said, because I certainly do not intend to make a very long speech. I only felt that there were certain things which ought to be said on the mere introduction of this Bill. In the first place, I wish to say by way of preface that I am impressed on this occasion by a very full sense of my responsibility in making what is perhaps the most important motion which it has fallen to my lot to move during my tenure of office as Finance Member. I use these words advisedly, because, in framing and passing this Bill, we shall be doing some thing to shape the destinies of the new India of the future to which we are all looking forward. In view of this, may I express a hope that the Members of this Legislature, in taking part in the coming deliberations, will set aside personal and party considerations and will act as members of a body which is united in one common purpose—the purpose of devising a measure which will promote the security and stability of Indian finance in the future.

I now turn to the special things that I wanted to say. In the first place, I want to say something about our time table and the occasion which we have chosen for bringing forward this measure. I have seen in certain Press articles a disposition to criticise us for unduly rushing this measure—for attempting unwisely in a few weeks to push through a measure on which the country should have a long time to ruminate and deliberate. I can only say that the Government of India are not usually accused of acting with undue haste, and it is not our disposition to do so. So far as we are concerned, we should have welcomed a little more time, and undoubtedly the time has been very short at least for the preparation of this Bill. Honourable Members will recognise that it had to be ready to go to the press within about a week of my own return to India. Nevertheless, when we take into account the time which will be available for the public to consider this measure before even the Committee stage is reached, and when we consider the time that will be available for the Committee stage and for the subsequent deliberations, and when we also take into account the fact that this measure or something very like it has been before the country for a very long time and has been fully discussed, I do not really think that there is any danger that

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we shall be unduly rushed in arriving at our conclusions. On the other hand, if we had not moved now, there would have been very considerable delay : and, in choosing our time table, we have really been guided entirely by what we regarded to be our duty to the country. Let me ask the House just to consider the position. It is quite clear that in the normal Delhi Session, with a Railway Budget and General Budget which must in any case be got through, there is not sufficient time to give that full and continuous consideration which is necessary to a measure of this kind. Therefore, if we had not brought forward this Bill now and started on what we intend to be our programme now, it would have been necessary to postpone this measure either until the next autumn Session in Simla or until a Special Session to be held next summer, say in May or June ; but even the latter alternative would have meant seven or eight months' delay, and plans made so far ahead are always uncertain. We did not think it fair to risk that delay and that uncertainty in getting through the legislation which is necessary before we should initiate the practical steps for setting up the new Bank. We felt it necessary to put Government at least in the position to take those steps as early as possible. The steps themselves are bound to take a considerable time, and it is important that they should be taken as far in advance as possible of the inauguration of the new Constitution, for it would certainly be most undesirable that the very drastic changes involved in transferring the control of currency and credit to a Reserve Bank should coincide or be telescoped together with the actual constitutional changes. Moreover, as Honourable Members are aware, the setting up of the Reserve Bank has a very definite place in the whole of the constitutional programme and we in the Government of India were anxious to give a practical demonstration that we are determined to do everything that lies in our power to make the new Constitution a reality as early as possible.

That brings me to another point on which I wish to say something—the significance of a Reserve Bank in the constitutional plan. I have seen it said on many occasions that this idea was sprung upon the Indian public as something quite new at the end of the Third Round Table Conference, and Indians have asked “ Why is this new condition proposed ? Why is it necessary to have a Reserve Bank before financial responsibility can be transferred ? ” This questioning or criticism does not do justice to the motives of the British Government in this matter. The case is really quite simple. It has generally been agreed in all the constitutional discussions, and the experience of all other countries bears this out, that when the direction of public finance is in the hands of a ministry responsible to a popularly elected Legislature, a ministry which would for that reason be liable to frequent change with the changing political situation, it is desirable that the control of currency and credit in the country should be in the hands of an independent authority which can act with continuity. I do not think that I need enlarge upon that. Further, the experience of all countries is again united in leading to the conclusion that the best and indeed the only practical device for securing

this independence and continuity is to set up a Central Bank, independent of political influence. Those who were considering the constitutional proposals on behalf of His Majesty's Government exercised much thought in examining the possibilities of other devices for securing this object and they were always and inevitably brought back to the conclusion that there was no other satisfactory way except to set up an independent Reserve Bank. Therefore, as according to their declared purpose His Majesty's Government intended to transfer financial responsibility in the new Constitution, they determined that the only satisfactory way to frame the White Paper proposals was to do so on the assumption that an independent Reserve Bank would be in being when the time came for setting up the new Constitution; and, this conclusion having been reached, it became the determined purpose both of His Majesty's Government and of the Government of India to do everything in their power to see that a Reserve Bank should actually be set up in time for this; and it is, in pursuit of that purpose, that we are taking our present action.

That, then, explains our position in this matter; and now, I want to say just a few things about the Bill which is now being presented. In its preparation we have had two things to work on: the former Reserve Bank Bill of 1928 with which the country is already familiar, and the Report of the London Committee, on which Indians in general and the Indian Legislature in particular were so well represented. The Committee's report did two things: working itself, on the basis of the 1928 Bill, it first proposed certain definite changes in that Bill, and, secondly, recommended that several important points, on which it was unable to reach final conclusions should receive further consideration in India. As regards the definite proposals, we have endeavoured to incorporate these as exactly as we could interpret them in the Bill which I am now presenting; and, as regards the points which were to receive further consideration—and these include some points which are not subjects for legislation in the Bill, but which will have to be dealt with in separate agreements—we have not had time since my return to give them the full consideration which they deserve, and, moreover, we desired to consider them in consultation with the representatives of the Indian Legislature before we committed ourselves finally to definite proposals. For that purpose discussion in Joint Committee which we intend to propose will afford the suitable opportunity. In taking this line, I do not intend to suggest that the Government desire to shirk this responsibility in these matters. When the time comes for the Joint Committee discussions, we shall be ready to assist the Committee with definite proposals which we, as a Government, are of course best qualified to work out, but we do not desire to commit ourselves at this stage by incorporating definite proposals in the Bill.

In the papers which I am presenting with the Bill will be found Explanatory Notes on various clauses, and in these Notes various points are especially mentioned as being left for further discussion in the Committee stage. Though we have called special attention to those points, it is, of course, clear that all the clauses including those clauses where we

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have had to interpret the definite recommendations of the London Committee, will be equally open for discussion in the Committee stage. I should only like to express the hope that all Members will enter the discussions with a strong disposition to accept the recommendations reached, after prolonged, careful and representative discussion in London.

That, Sir, I think, explains the nature of the Bill which we are now presenting, and I would ask Honourable Members to read the Bill in the light of that explanation.

There is one other point to which I wish to refer, and that is in regard to the significance of this Bill. I said in opening my remarks that, in handling this Bill, this Assembly would be doing something to shape the destinies of India under the new Constitution. Strictly speaking, of course we here can only legislate for India under the present Constitution, and the wording of the Bill has had to be made appropriate to that. But the Secretary of State and his representatives at the London Conference made it clear that they were desirous that the present legislation should be so framed as to be appropriate with the minimum change for the conditions which will prevail under the new Constitution. That point is clearly made in the Committee's Report, and I would ask Honourable Members to bear it in mind when they are considering the provisions of the Bill in detail. That, Sir, is, I think, all that I need say at the present stage.

I would, however, like to conclude by referring again to the importance of this measure and the sense of responsibility with which it should be handled. I want particularly to appeal to the un-official parties of this House that when the time comes for electing Members to the Joint Committee, if they approve that course, they should help us and help India by supporting the election of those of their members who are best qualified to give valuable counsel. This matter is one which is attracting wide attention outside India, and the eyes of many countries will be on these proceedings. As one who is proud to be a Member of this Legislature, I would appeal to my fellow Members to demonstrate once again how the Indian Legislature can rise to its responsibilities.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That leave be granted to introduce a Bill to constitute a Reserve Bank for India.”

The motion was adopted.

The Honourable Sir George Schuster : Sir, I introduce the Bill.

THE FACTORIES BILL.

The Honourable Sir Frank Noyce (Member for Industries and Labour) : Sir, I move for leave to introduce a Bill to consolidate and amend the law regulating labour in factories.

Sir, in view of the importance of this measure and of the comparatively late stage in the Session in which it has been introduced, I feel it

is due to the House that I should indicate very briefly the procedure which, if this motion is carried, I would ask the House to be good enough to adopt.

As the House is aware, the Bill is the result of prolonged and detailed examination. The important changes in the law which it contains are nearly all based on the recommendations of the Royal Commission on Labour. After these recommendations had been before the public for about a year, we published a consolidating Bill which embodied them together with a few other desirable amendments. As the result of the circulation of the Bill, we received an immense mass of detailed and, on the whole, very valuable criticisms. The House will get some impression of the exhaustive analysis to which the proposals have been subjected when I say that the opinions in their printed form amount to some 360 foolscap pages and are, therefore, in volume longer than the Report of the Royal Commission itself. The Bill now before the House,—thanks to the labour and skill of the draftsman,—differs considerably in form from the Bill as circulated, but if Honourable Members care to compare the two Bills, they will find that there have been comparatively few changes of substance. I do not, therefore, propose to ask the House to circulate the proposals again, but intend to move, if possible, as I hope it will be, during the course of this Session for the reference of the Bill to a Select Committee. But as I fully recognise the desirability of giving the public adequate opportunities of examining the measure as now introduced in detail, I would suggest that the Select Committee should not meet before January, 1934. In the meantime, I hope to supply the members of the Committee and any other Members of the House who would care to have them with sets of the opinions and if the Local Governments, or members of the public offer further opinions in the interval, these will also be supplied. I propose also to try to arrange that the Select Committee should have the assistance of one or two experienced Chief Inspectors of Factories to whom they can refer during its sittings if they desire to do so. I trust, Sir, that this procedure will commend itself to the House. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That leave be granted to introduce a Bill to consolidate and amend the law regulating labour in factories.”

The motion was adopted.

The Honourable Sir Frank Noyce : Sir, I introduce the Bill.

THE INDIAN TEA CONTROL BILL.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands) : Sir, I move for leave to introduce a Bill to provide for the control of the export of tea from India and for the control of the extension of cultivation of tea in British India.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That leave be granted to introduce a Bill to provide for the control of the export of tea from India and for the control of the extension of cultivation of tea in British India.”

The motion was adopted.

Mr. G. S. Bajpai : Sir, I introduce the Bill.

THE INDIAN STATES (PROTECTION) BILL.

Mr. President (The Honourable Sir Shanmukham Chetty) : The House will now resume consideration of the motion moved by the Honourable Sir Harry Haig :

“ That the Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations, be referred to a Select Committee.”

Mr. B. Das will now resume his speech.

Mr. B. Das (Orissa Division : Non-Muhammadan) : Sir, in moving my motion the other day, the remarks that I made would have led the House to conclude that I am opposed to the principle of the Bill and that no useful purpose would be served by this House in considering this Bill. I was discussing the particular hardship that would be caused to the Indian Press which is already suffering from the rigours of the Press Act by which various presses under the slightest pretext are called upon to deposit heavy sums of money, and these deposits are forfeited without any consideration as has happened in the case of the Free Press of India recently. Sir, I also quoted the views of the *Amrita Bazar Patrika* which is a strong nationalist paper without any leanings towards extremism which my Honourable friend, the Home Member, might speak of other papers.

Apart from the hardship that will be caused to the Indian Press which will be a serious disaster for the expression of the strong public views of India, there is another aspect which has to be considered, namely, whether the rights and privileges of the people of British India would not be affected if the Bill, as introduced, would be passed into law. Sir, as a representative of the British Indian people, I do not concede the right to the States to be the allies of His Majesty the King Emperor. I do feel that the Government of India and, through the Government of India, we, the British Indian people, have certain control over these Indian States. The British Indian Press and the Indian public have all along criticised the misdoings of some of these States. If this Bill is enacted into law, as I said the other day, no British Indian can make any observations about the maladministration of these States, because he will be hauled up before a Court and be punished. Sir, I have seen in my own experience from the contact that I had with 26 petty States on the borderline of Orissa province, where the British Indian people are at times ill-treated, because these States, barring a few noble exceptions, live in a state of absolute barbarism. Before 1900, these Orissa States were treated as almost Zamindaries or tributary

mahals. They had no power ; they used to come to Calcutta High Court to defend their cases. But the Butler Committee came to their rescue, and today some of these petty States, which control only a few or a few hundred square miles, expect themselves to be treated as the allies of His Majesty the King Emperor and they feel that they will not allow themselves to be subjected to the criticism of the British Indian public. Yet, British Indians have at times been ill-treated in these States for which they have no remedy unless the Indian Press ventilates the mal-administration of these States.

Then, there is another thing to be remembered. These Indian States, along with British India, are entitled to be represented in International gatherings like the League of Nations, the International Labour Conferences. And what do we find there ? Any humanising legislation, any convention that is introduced by the International Labour Conference or any mandate that the League of Nations may issue, is not binding on these Indian States although it is binding on the Government of India and binding on us. I will give an instance. Sir, in the year 1929, when I accompanied you to the League of Nations International Labour Conference, we took part in the forced labour Convention. That forced labour Convention had been ratified by this House with some modification, because some of the subsequent Indian delegates made certain mistakes and it has to be accepted in the way the House accepted it. It was moved by my Honourable friend's predecessor, Sir James Crerar, on the floor of this House. But what do we find ? Forced labour is the usual thing in most of the Indian States. How can they be allies to His Majesty the King Emperor, not to speak of their being British subjects, when they are not amenable to the laws and Conventions which the British Government and the Government of India accept. Sir, forced labour is prevalent in almost every State. Among the Orissan States more than half the States have this forced labour. While I was on the Forced Labour Committee at Geneva, the representative of the South African Colonies stated that as the natives of those territories could not pay taxes, the Government took from every adult 40 days of forced labour. 40 days labour is the maximum forced labour that is taken from the adult population in Africa, but what do we find in Indian States ? The subjects of these Indian States pay an equal tax, almost the same tax, sometimes even more, as we, the British Indians, pay to the Government or to the landholders, who obliged us yesterday with their views on the floor of the House. The subjects of the Indian States pay equal tax, yet I know that in certain States the people at times work 40 to 50 days a year of *begar* (forced labour) for the Princes of those States.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : Without payment ?

Mr. B. Das : Yes, when it is forced labour, it means no payment and at times these poor people have to bring their own food and stay weeks and weeks to carry out the behests, not only of the Ruler himself, but of his satellites.

Dr. Ziauddin Ahmad : Is it a fact that you are saying ?

Mr. B. Das : My Honourable friend. Dr. Ziauddin, ought to read the forced labour Convention and other literature that my Honourable

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friend, Mr. Clow, can supply him. Mr. Clow can supply him with volumes of books as to the prevalence of forced labour in the Indian States, and when my Honourable friend, Mr. Joshi, will speak about the prevalence of forced labour, my friend, Dr. Ziauddin, will know things which he could not have known when he was absorbed in his work at the University of Aligarh. Sir, there was a time when these Indian Rulers were amenable to the public opinion prevailing in those States. As I mentioned already, they are today protected by the mighty British arm and they have learnt the so-called civilized ways of the British Rulers. They must have their *shikárs*; they must have their elephant *Kheddas*; and the British officers or Indian officers from British India, including the mighty Political Agents and their Assistants, must visit these States, and *Kheddas* and *shikárs* must be organised for their entertainment. Did these Political Agents, when they did go and took part in these shooting parties, ever inquire of these poor beaters, thousands of them, who had been there for days and days, as to how they were fed? I know in certain States the elephant *Kheddas* usually take place in the month of November and December when the harvest season is on and when every adult man is forced to be made a beater.

The Honourable Sir Harry Haig (Home Member) : May I interrupt the Honourable Member and ask him whether he claims the right to organise *jathas* in order to remedy the conditions which he alleges or in what other way these are relevant to the provisions of the Bill?

Dr. Ziauddin Ahmad : May I ask whether the Honourable Member can suggest any method by which these wrongs could be redressed, besides the *jatha* organisation?

The Honourable Sir Harry Haig : They can always be represented, and this Bill does not in any way affect such representation.

Mr. B. Das : Sir, I am not alluding to the *jathas* at present. I am referring to the maladministration of these States and this Bill aims at stoppage of all criticism against the maladministration of these States. We, British Indians, live almost as close neighbours to the subjects of these Indian States, but we cannot but criticise their maladministration. I was also saying how these States could not become our equals in the Federation, if they perpetuated their present barbaric rule. They claim equality with us in the League of Nations and in International Conferences. The representatives of the Government of India and the British Government always denounce them privately, though not publicly. That is one illustration of how the States are mismanaged. Sir, the Government of India, in spite of their being today sovereign of these States, cannot enforce humanizing administration in those States. If this Bill was not going to take away all right of public criticism from the hands of the British Indians and Indian States people gathered in British India, I would not go into such detail, but my Honourable friend, the Home Member, and my Honourable friend, the Political Secretary, know it, that this Bill will take away all rights of criticism. In spite of that, my Honourable friend, the Home Member, said the other day that the right of criticism of the maladministration of the States was not being taken away. We know how differently the law is administered once

it goes through this House. While I am on this subject, I will just read one sentence from the *National Call* which reviewed the speech of my Honourable friend, Sir Harry Haig, in this morning's issue :

“ If a newspaper in British India expresses ‘ disapprobation ’ of the actions of the Ruler of an Indian State or of the policy followed by his Government, it will not be penalised. But the hounds of the law will be on its track and the moment its comments bring the Ruler of a State into contempt or excites disaffection among his subjects. The dividing line as drawn by Sir Harry Haig is clear enough. But a little thought is enough to show that in actual practice it will be an almost impossible task to distinguish where disapprobation ends and disaffection begins. Even the mildest disapprobation expressed by a newspaper in the most general terms may conceivably be considered to excite disaffection among some section of the population of the State concerned. Indeed, the condition of some of the States is so bad that there is enough disaffection going round to last them a good long while even without any prompting from the British Indian Press.”

Sir, I would not myself discuss the relationship of the Indian States people with the Government of India or of His Majesty's Government, had not my Honourable friend, the Home Member, brought in the word “ Federation ” in the future Constitution in his Statement of Objects and Reasons. The Government of India thought it fit to send representatives of the Indian States people to the First and Second Round Table Conferences. They omitted them in the Third Round Table Conference. No States people are represented at the Joint Select Committee. Naturally, the States people are very apprehensive. The Princes are very clever. They know that the British Government and the Government of India are very anxious to get their holy or unholy alliance over the Federation. I wish to draw the attention of my Honourable friend, Sir Harry Haig, to the Resolutions that were passed under the Presidency of our old friend, Mr. N. C. Kelkar. The States people's objective is contained in the speech of Lord Irwin which he delivered to the Chamber of Princes in 1931 and which the Indian States People's Association have embodied in a statement to the nations of the world. I will read the extract from Lord Irwin's speech. This is the advice he gave to the Princes, mighty and small :

“ There must be a reign of law and order, based either expressly or tacitly on the broad goodwill of the community. Individual liberty and rights must be protected ; and the equality of all the members of the State before the law be recognised. To secure this, an efficiently organised police force must be maintained and a strong and competent judiciary secure from arbitrary interference by the Executive and irremovable so long as they do their duty. Taxation should be light as circumstances permit, easy of collection and certain and proportionate to the means of the tax-payer to pay. The personal expenditure of the ruler should be as moderate as will suffice to maintain his position and dignity, so that as large a proportion as possible of the State revenues may be available for the development of the community, such as communications, education, health and social services, agriculture, housing and other kindred matters. There should be some effective means of ascertaining the needs and desires of the subjects and of keeping close touch between the Government and the governed.”

If I had not quoted the name of Lord Irwin, the Honourable the Home Member might say that I was reading an extract from a speech of Pandit Jawaharlal Nehru or a note by Mahatma Gandhi, but it is a former Viceroy of India, Lord Irwin, who said this. The people of the States only demand what is contained in this speech of Lord Irwin. Today the citizens of the Indian States, of almost all the States, have not even the elementary right of citizenship. They have no right to their property, to their home and, I am ashamed to say, even to their

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wives and daughters. That is the condition in some of the States. I am not going to read out the resolutions which were passed at the last States People's Conference, because their views are contained in the short extract which I read out from Lord Irwin's speech. The Indian States' people claim only a few fundamental rights, not so much as my Honourable friend, the Political Secretary, possesses in his own country or in British India, not so much even as I possess, in spite of my limited political rights in British India. They claim only certain fundamental rights :

- (a) they claim the right to possess personal property ;
- (b) they claim the right to use one's own form of worship ;
- (c) the right to freedom of speech, opinion and association ;
- (d) the right to be tried by open trial by proper judicial authority ;
and
- (e) the right to use their mother tongue.

There is not one in this demand which is a new one to the points enunciated by Lord Irwin in his eloquent address to the mighty potentates.

I ask, why is my Honourable friend, the Home Member, so anxious to have this legislation now ? He himself said that he was not in a hurry. He said : " Let the Select Committee consider, and then we can legislate in the Winter Session of 1934 ". Then, why not circulate the Bill ? Although I am opposed to the principle of the Bill, still I have suggested circulation, because, when all these opinions are collected and placed before the Home Member, in spite of his pre-occupation over political prisoners and detenus, when he will read them, he will be overwhelmed with the argument that he was wrongly advised to introduce such a piece of legislation in this House. And after all, who are concerned ? These States. It is understood—I do not know if it will happen—that when the Federal Assembly comes into existence, we will have here 125 stalwart representatives from the States. They may not be the Princes themselves ; they will be their *divans* or the representatives of their peoples. Let them come here, and let the British Indian representatives and the Indian States' representatives meet one another. Let each other know their respective views on this matter, and then let legislation be introduced and passed in the Federal Assembly. There is no necessity of my Honourable friend being in a hurry to bring forward this piece of legislation, unless it be that the Government of India feel that, in spite of the enormity of mismanagement and enormity of miscarriage of justice in Indian States, they should raise these petty States into sovereign States, as if they will ever be sovereign States. They are raising petty Chiefs of States to the status of a Governor of a British Indian Province. It may be that my Honourable friend, Sir Harry Haig, may not be in India then, but I can picture the reserved Councillors of the Governor General who will find themselves in a hornet's nest when there will be only 11 Governors of Provinces, barring Burma, and if Burma is not separated, 12 Governors—12 Governors and there will be 560 States each claiming the status of a Governor ! And my Honourable

friend, Sardar Harbans Singh Brar, reminds me that they are claiming the status of a King, the status of internal sovereignty. Where is this internal sovereignty? Does it exist now? I know of Indian States' Princes carrying the lap dogs of a Political Agent when that Political Agent went on an elephant. And these claim internal sovereignty in their States! I want to make an appeal to the Government of India. I know things have gone wrong. I know that what we people claim, what we people aspire to,—responsible Government, Dominion Status,—all have gone wrong. We are not going to get Dominion Status not even in 50 years.

An Honourable Member : The Viceroy said you will get it soon.

Mr. B. Das : I am not supposed to discuss His Excellency the Viceroy's speech, because we cannot discuss it on the floor of the House. But, Sir, as you remarked elsewhere, even " Dominion Status in action " is not going to come in 50 years. I warn the Britishers, who today constitute the Government of India, not to commit the error, not to raise these petty Princes to the status of kings or sovereigns, not to raise them to the status of Governors of British Indian provinces, and not to turn their heads by high sounding words of paramountcy and sovereignty and make them perpetuate their misrule or perpetuate the wailings of millions of their subjects. Their subjects never have peace; they never have contentment; never have the right of British justice. I have lost my faith in many characteristics of the Britishers, but if today the Britisher is respected, it is for his administration of justice. I challenge my Honourable friend, Mr. Glancy, to say that there is any vestige of administration of justice in these States, of course barring a few noble exceptions. There is no administration of justice

12 Noon.

there. My Honourable friend himself was a member of an enquiry committee in Kashmir. There is a hushed up report, the Fitz-Patrick Committee Report about Patiala, and there are dozens of such reports. If only a few reports have been published, there ought to have been thousands of such enquiries in every State for their mal-administration. Today there is no justice and, if I have still faith in British justice, I appeal to the Honourable the Home Member not to deny justice to the people of the Indian States, and it will amount to denying justice if this piece of legislation is forced through this House, as I very much fear, some day it will be forced through, knowing the weakness of the Members of this House. My Honourable friend, the Home Member, will render injustice to one-third of the people of India who are groaning under great sufferings by the misrule of these Princes. One thing more, why is it that the Government of India and the Political Department is so chary as to deny justice to these people of the Indian States. If I have understood rightly the framing of the White Paper, the British Government and the Government of India are afraid that they will not be able to run the administration, and that is why they have introduced so many safeguards. I do not find any safeguard provided to the States people against their rulers. Autocracy is good, but, as I said the other day, the Princes are practising Hitlerism *minus* the spirit of democracy that controls Hitler. But is there a benevolent autocracy today in any Indian State? Personal rule is good if it is according to oriental tradition, but • today these Princes have no oriental tradition.

[Mr. B. Das.]

Educated in half-westernised Princes' schools and colleges, living in hotels like the Hotel Cecil and the Maidens Hotel, forgetting their ancestral tradition.....

Mr. President (The Honourable Sir Shanmukham Chetty) : Where does the Honourable Member live ?

Mr. B. Das : In Hotel Cecil, Sir ! Forgetting their ancestral tradition and their ancestral religion and the long usage and practice of wise Government which in India was known as *Ramrajya*, forgetting all these, they try to imitate the petty British officers whom they meet in their night carousals in their night clubs in Simla or Delhi or London.

Mr. B. V. Jadhav (Bombay Central Division : Non-Muhammadan Rural) : Do you want *Ramrajya* again ?

Mr. B. Das : I am not a learned scholar like my Honourable friend, Mr. Jadhav, but, I am sure, when, later on, he takes part in the debate, I know we will hear from him the ethics as to how *Ramrajya* should be administered. I appeal to the Government to introduce such safeguards so that the fundamental rights of citizenship will not be denied to the States people. Apart from this safeguard being introduced in the White Paper proposals, before any piece of legislation can be considered by this House in giving further autocratic powers to these autocratic rulers of these Indian States, the Government of India, as Britishers and as representatives of the British Parliament and British democratic institutions here, should see that the elementary rights of citizenship are not denied to the Indian States people. With these few observations, I commend my motion for the acceptance of the House that the Bill be circulated for eliciting opinion thereon.

Mr. President (The Honourable Sir Shanmukham Chetty) : Amendment moved :

" That the Bill be circulated for the purpose of eliciting opinion thereon by the 7th of January, 1934."

Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) : May I know whether the point of order that was raised, I mean the legal point, whether that will be taken up now or at some other later stage ?

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair said the other day that it proposed to give a ruling on that point at a later stage. The Chair's intention is to give a ruling whether clause 3 is *ultra vires* or not when actually the discussion on clause 3 takes place ; but it proposes not to give a ruling on the point now, because it has already stated that, even though one particular clause of a Bill may be *ultra vires* of the Legislature that does not make the whole Bill *ultra vires*. The Chair would draw the attention of the Honourable Member to section 84 of the Government of India Act, which says :

" A law made by any authority in British India and repugnant to any provision of this or any other Act of Parliament shall, to the extent of that repugnancy, but not otherwise, be void."

That is the provision of the Government of India Act, and when actually the time comes to discuss clause 3 and, before putting clause 3 to the vote of the House, the Chair will give a decision whether clause 3 is *ultra vires* of this Legislature.

Mr. Gaya Parasad Singh (Muzaffarpur *cum* Champaran : Non-Muhammadan Rural) : Clause 3 will not be under consideration till the Bill comes back from the Select Committee.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Bill will go to the Select Committee as it is at present framed, and when the Bill comes back from the Select Committee, the Chair will then consider whether the clause is *ultra vires* of this Legislature.

Mr. C. S. Ranga Iyer (Rohilkhand and Kumaon Division : Non-Muhammadan Rural) : In view of the speculations in the newspapers, may we request the Chair that, before we disperse today or before the Assembly Session closes, it will enlighten this House as to what is the opinion of the Chair in regard to that particular clause, because this Select Committee motion, even if it is adopted, as I believe it will be, will bar taking up the Bill clause by clause. The discussion of the Bill, clause by clause, will come up only in the January Session. In the meantime, there will be a good deal of Press criticism and also speculations. Therefore, in these circumstances, I will request the Chair to give a ruling before we leave Simla.

Mr. Lalchand Navarai : With regard to this objection, if it is kept in abeyance, and if this Bill goes to the Select Committee, the Select Committee will have to consider this clause 3 also and, if, subsequently, it comes up before the House, and it is decided by the Chair that clause 3 is *ultra vires*, then I think the whole labour of the Select Committee would be absolutely lost. To avoid that, I would request the Chair to consider this legal point, for it is of vital importance and it should be considered and a decision arrived at before we refer the Bill to the Select Committee.

Dr. Ziauddin Ahmad : Clause 3 is rather an important part of the Bill and, if that clause is taken out of discussion, then half the Bill disappears.

Mr. President (The Honourable Sir Shanmukham Chetty) : If it is the general desire of the House that the House would like to have a decision on the point even before the Bill is referred to the Select Committee, the Chair will have no objection and it will certainly see, if it is possible, to give a ruling before actually this question is put to the vote. Even if that is not feasible, the Chair will certainly adopt the suggestion of Mr. Ranga Iyer and give a ruling as early as possible before we disperse.

Mr. C. S. Ranga Iyer : Sir, I must confess I have not given to the Bill before this House the same attention and the same consideration that I would have liked to give. I admit it is a very complicated piece of legislation, complicated in this sense that we here are faced with something in the nature of a trial. We were almost placed on the horns of a dilemma, especially when the Honourable the Home Member concluded his speech with a reference to the Federation, and I was very much embarrassed as to what attitude I should take in this matter. That embarrassment continues and that is one of the very reasons why I refused to prepare myself for this debate. I thought the act of speaking would set the mind thinking and I merely propose to place my views before this House with absolute detachment and speaking purely

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for myself and not for my party as it happens to be. And, in the meantime, I propose to seek light from Honourable gentlemen like the new Leader of the Democratic Party, Mr. Neogy, who has had experience both of constitution-making in England along with the Federationists and association with Indian States which, I am certain, he represented with great ability and for which he worked with great devotion as he always does when he takes up a case. I should very much like to know also from other Leaders of Parties whom I miss, Sir Cowasji Jehangir, as to what he thinks, specially with his great knowledge of constitution-making in England and his association as a Member of the Executive Council of Bombay and as a prominent public man with the States and their representatives. When he was a Member of the Executive Council of the Government of Bombay, probably the Bombay Government had something to do with Indian States and he came into intimate contact with the States representatives in his recent consultations and confabulations for the last three years in England. Not having had those opportunities, I feel very much embarrassed as to what I should or should not say on this occasion. Sir, I am a believer in Federation and I am prepared to pay the price that Federation requires. It may be a heavy price, but I am prepared to pay that price. I am not a believer in Federation at any cost or at any price, but I believe in Federation under reasonable circumstances and at a fairly reasonable price. If the Princes are to come into the picture of the Federation,—as I believe they have got to come, otherwise there can be no Federation,—then you must place before the Princes a sufficient inducement to come into the picture; and there is a great deal of panic created by what they deem to be a sort of unholy propaganda by the Congress newspapers and the Congress leaders in the minds of the Princes.

Mr. B. R. Puri (West Punjab : Non-Muhammadian) : Oh !

Mr. C. S. Ranga Iyer : I am very glad to find that my Honourable friend from Lahore, Mr. Puri, exclaims, " Oh ", and when he makes his speech, he will make me understand with all the ability that he undoubtedly has as the leading lawyer in the Punjab as to the implications and complications which he sums up in the word " Oh ". (Laughter.) In the meantime, let me proceed with my speech, and my view is this. My friend, my old friend, Pandit Jawaharlal Nehru, in one of his important statements published in the *Tribune* of Lahore, gave expression to the view that the future of Indian politics was going to take two directions,—the agrarian plan directing an attack on the zamindars and the present capitalistic system, and the democratic plan directing all the current and energy of the Congress to bring down the autocracies of the States. I, therefore, believe, at any rate I am able to visualise, the sort of attack that is going to be levelled against the States to bring down the autocracies. It is for me to decide here and now what position I propose to take in regard to the future : whether I propose to take my stand on the side of constitutionalism, fight with the force of constitutionalism, with my back to the wall and either fall in so doing or succeed in speeding up evolution and achieving my democratic goal as a constitutionist,—or whether I am going to join hands with the unconstitutional forces in a red revolu-

tion, sweeping the Princes and the zamindars out of existence. That is the issue, Sir, that is going to be raised in the country.

Mr. N. M. Joshi (Nominated Non-Official) : But that is not the issue in this Bill.

Mr. C. S. Ranga Iyer : That is the issue in this Bill also. If you only carefully read the Bill, specially where it deals with the *jathas* and if you read the Bill in the light of the speech of the Honourable the Home Member about Federation, you will find that that is the issue in this Bill. Let there be no mistake about it that this Bill is aiming at putting down people marching to the States, people collecting themselves into large bodies in British India and attacking the States in group processions of *jathas*. The prevention of the beginning of a new Civil Disobedience Movement against the Indian States is contemplated in this Bill. There is no use saying it is not in this Bill. I want to know whether we, who support the Federation,—and Mr. Joshi also is probably a supporter of Federation,—want to encourage forces in British India of an unconstitutional kind directed against the Indian States, “the autocrats of the Indian States” as some of them call it and some have stated in this House ; or whether we are going to encourage the growth of a healthy public opinion controlled and legitimately controlled as it ought to be. For what is it that we are asked to do ? We are asked in this Bill to treat the Princes fairly and squarely and not to encourage forces of disruption emanating from British India. We know what happened in regard to Kashmir when *jathas* proceeded from British India. Had this Bill been in existence, instead of the poor Maharaja of Kashmir incurring the odium of putting them in prison, the British Government would have legitimately taken the responsibility on their shoulders and stopped these people proceeding to the State. They were arrested after crossing the borders. The example of Kashmir is before me : I personally feel that I should not go into the details in regard to a particular State. But, Sir, I am within my province when I say that I do not want the mischievous, the wicked and the unpardonable kind of propaganda that was carried on in a certain section of the Punjab Press against a Hindu Maharaja. I do not want mischievous forces to be organised in British India to proceed in batches to bring down the prestige and the power of the ruler of a State as they did in the case of Kashmir.

Mr. Lalchand Navalrai : Even when the rulers misbehave ?

Mr. C. S. Ranga Iyer : The champion of the Hindu cause in Sind says that “the rulers misbehave”. As regards the ruler of Kashmir, I should like to know from Mr. Glancy, who was inquiring into the matter, whether the ruler has not been behaving in a manner consistent with the dignity of the house of Kashmir. I believe the ruler, apart from the administration, has been behaving consistently with the prestige of the great house of Kashmir.

Mr. Lalchand Navalrai : What about Bahawalpur State ?

Dr. Ziauddin Ahmad : What about Mr. A. ?

Mr. C. S. Ranga Iyer : I am not going to be drawn into particular States and personalities, I propose to generalise. Here is an Honourable gentleman, my friend, Dr. Ziauddin Ahmad, who may have had con-

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nection with some of the State rulers, specially the Muslim ones, and, when he stands up, probably he will enlighten us on the matter instead of trying to drag me again, in the shape of an intriguing or an uninteresting question, into the Kashmir controversy. I was merely illustrating, Sir, my point by reference to a particular circumstance, a particular episode in the history of the relations between the Indian public in British India and the ruler or the administration of an Indian State. I think it is a most unhealthy way of bringing a State administration down by encouraging unconstitutional forces from British India to proceed and disturb the subjects of Indian States. I say it is an unhealthy way even to encourage British residents in British India to go and create trouble in a constitutional way in the Indian States. I would rather adopt the old motto of the Indian National Congress when it was founded and which was observed by men like Sir Surendra Nath Banerjea, Gokhale and others. What was their motto and what was their policy? Their policy was non-interference in the administration of Indian States by British Indian politicians; and we would rather continue that policy instead of encouraging forces of destruction from British India. That is one of the healthy features of this Bill. I do not know how far it will or will not meet the situation. It requires careful examination in the Select Committee, and, if I agreed to serve on the Select Committee, it was because I was attracted by this feature of the Bill.

Now, I come to another feature of the Bill and that relates to the Press. Wherever the Honourable the Home Member wants to interfere with the rights and liberties of the Press, I at any rate will approach him with a certain amount, if I may say so, of suspicion.....

Mr. B. Das : President of the Upper India Journalist Association.

Mr. C. S. Ranga Iyer : My friend, Mr. B. Das, says "President of the Upper India Journalist Association". I am not speaking in the capacity of a President. I am speaking in the capacity of one who entered this profession of journalism, attracted not so much by what it could give in the shape of the goods of the world, but the glamour and the greatness of the profession. I concede criticisms in a certain section of the newspapers have been of a blackmailing kind: I concede that Princes have been made targets for attack in this irresponsible Press: I admit that a section of the Press requires a good deal of watching and a good bit of control, for we do not want that an irresponsible section of the Press should condemn the entire Indian Press. Therefore, whenever a suggestion comes that we should put a certain amount of restraint on a section of the Indian Press which criticises the Indian Princes, I am prepared to admit that the case requires examination; but must you apply it to the newspapers edited in English, or must you not confine it to the purely Vernacular Press; for I do not believe that the English edited newspapers, newspapers conducted in the English language, have been so flagrantly guilty of attacking personally the Princes. This is a matter which requires examination.....

Mr. Gaya Prasad Singh : The *Statesman* attacked the Maharaja of Kashmir very violently.

Mr. C. S. Ranga Iyer : My friend, Mr. Gaya Prasad Singh, is perfectly right if he says that the *Statesman* wrote most vehemently on the Kashmir administration.

Mr. B. R. Puri : Is there a difference of opinion between the Deputy Leader of the Nationalist Party and his Secretary ?

Mr. C. S. Ranga Iyer : My friend, Mr. Puri, has had the opportunity of crushing, if he could, my humble party : it has not yet been annihilated by him behind our back.....

Mr. B. R. Puri : It will be after this speech of yours. (Laughter.)

Mr. C. S. Ranga Iyer : I ask my friend to carry out his threat. It is a pity that he has not succeeded all these months in undermining the party. I have given him adequate opportunity in the past ; and, if he has failed, I can only pity him for his incapacity to carry out his noble object. I am told that he was in Lahore in those days ; that is the unhappy part of the business.....

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : Is discussion of party politics relevant to this debate ?

Mr. C. S. Ranga Iyer : Who introduced the discussion of party politics ? Let him first ask his own Deputy Leader about it. (Interruption.) Are the Democratic Party ashamed of announcing the fact that they have formed a party ? Are they ashamed of accepting the fact that they have got a leader in this House ? I spoke with great respect about the Democratic Leader and his devotion to his cause. I accepted the inevitable circumstance that there is a Democratic Party in this House. I did not cast any slur upon that Party ; but here is an Honourable gentleman, the Deputy Leader of that Party, who has the audacity to stand up and say that the Secretary of the Nationalist Party is interfering with the Deputy Leader of that Party. Not at all. He was making an important point when he said : " Was not the *Statesman* of Calcutta criticising rather vehemently the Kashmir administration ? " Probably the reply of the Government will be that " even the *Statesman* requires restraint ; we are not discriminating as between the *Statesman* and the Indian newspapers in this particular legislation ". That perhaps will be their answer and their justification for saying that the Press should be controlled. But that is not my justification. That does not satisfy me. I say the *Statesman* is entitled to criticise as strongly as it can any State administration : even so every Indian newspaper must be entitled to criticise the administration of any Indian State ; and that for this reason : the States have no responsible government, not even parliamentary government in the sense in which we are having dyarchy in the provinces and the sort of government through legislation that we have now in the centre. Therefore, the States have got to be criticised, very strongly, very persistently and very insistently, in the Indian Press. There are States in which there is no liberty of criticism, where there is no newspaper ; there are States in which personal rule still persists ; and even though they are going to be Federation units for the future, they have shown no tendency to approximate their position to that of the provincial units in British India. I, as a strong supporter of Federation, expect the States to rise from within without external assistance in the way of direct provocation or action to the same position as units in British

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India. If you want Federation to work, you cannot put democracy and autocracy together without autocracy trying to come up to the same level as democracy in British India. Therefore, I am anxious that no restraint should be put upon reasonable criticism in British India, because it is only in British India that you have the educative Press which goes into the States, even though some of these newspapers, when they happen to be unpleasant, are proscribed in those States : there the rulers have autocratic power. Therefore, we have to allow the forces that are legitimate in British India to play on the forces that are reactionary in the Indian States to lift the Indian States to the same position and status as provinces in British India. Therefore, I will have to approach with a good deal of hostility, until I am convinced to the contrary, in the Select Committee the provisions relating to the Press. It may be argued that you have put upon the Press so much restraint under the Ordinance Bill which amended the Press Act. Why not apply the same provisions to Indian India ? Why not allow the same courtesy to Indian India which British Indian administration enjoys ? I have already answered that. Even though I may, in ordinary circumstances, be tempted to do so, I cannot forget the fact that the Government in British India is subject to criticism of a kind to which Governments in the Indian States are not. Therefore, the British Indian Press will not like to be gagged to the same extent as it has been gagged in spite of our opposition from this side of the House in its criticisms of the States. From this side of the House we have opposed the restrictions on the rights of the Press to condemn what is wrong in regard to British Indian administration. Restraining the Press unduly, in regard to criticism of the States is equally wrong. We have not submitted to these Press provisions. The Bill was carried into law in spite of our opposition, and, therefore, opposition on that point must continue, and, so far as I am concerned, will continue. I cannot, Sir, agree to restraining the rights and liberties of the Press in the manner in which the rights and liberties have been restrained under the Ordinance Bill which amended the Press Law. All that I am prepared to agree to is, I am prepared to go only to the extent that I was prepared to go in the Select Committee on the Press Bill in which my friend, Mr. Puri, with all his ability and knowledge of the law took a very important part. Beyond that, in this particular Bill I will not be prepared to go unless I am convinced to the contrary by the Honourable the Home Member and the Honourable the Political Secretary whose names I note are included in the list of Members of the Select Committee. If they convince me that we must put this restraint on the Press, I am their man, but nothing that has been said by the Honourable the Home Member has convinced me that there is necessity to put those restrictions on the Press. While I am willing to give every encouragement to the Princes to come into the Federation. I would ask the Princes, at the same to give every facility to the newspaper press in British India to bring them up politically, administratively, and constitutionally to the same position as the provinces in British India. These two points that I have referred to are adequate for my purpose. I will agree to a Select Committee motion, but I support circulation if circulation can be completed before January. If circulation can be completed before January,—because the Honourable the Home Member has told us that he is not in a hurry, at any rate he is not in haste, and he is quite prepared to wait till January,—if a hurried circula-

tion is possible within that period, it will be worth knowing the opinion of the important bodies in this country on this point, because the Bill is a complicated one. Then the Select Committee would be in a better position to judge. Such a Bill was never presented to us before. We ought to know the opinions of important legal and other bodies on this matter, and, therefore, circulation will not be too bad. His object is to carry this legislation through in the January Session, the other Session being a special one, and I think if he only circulates from now and instructs the bodies consulted to be quick in giving their opinions, it will be possible for us to know the opinion of all the important bodies concerned on this very complicated measure. It is original in the sense that we have not been faced within the life of this Legislature with such a piece of legislation as the one presented to us. I want to approach it with all fairness. I am prepared to take courage in both hands and say pass this legislation if it will promote Federation and induce the Princes to come into the picture, but I would at the same time reserve to myself the right of criticism in Select Committee and of modifying the Bill wherever necessary. I admit that the Honourable the Home Member is more or less animated by a desire to make liberty restrained, for liberty must restrain itself in wholesome proportion to lack of what I may call licence. Some one described—the passage escapes me—liberty as being in proportion to wholesome restraint. That, I believe, is what the Honourable the Home Member is aiming at, but for myself when the Honourable the Home Member applies restraint when democracy thunders and strides on, I will say that the Executive must not be unduly at any rate very hastily trusted with new powers until they are carefully examined and until public opinion is consulted. (Applause.)

Mr. N. M. Joshi : Sir, this Bill comes in the natural order in which our Government seek to bestow protection on the different classes of people in this country. Yesterday, we discussed a measure by which protection was sought to be obtained for one class of people. Today, we are discussing a measure by which Government seek to give protection to another class of people. Mr. President, it seems to me that this is one of a series of measures of protection which, though intended apparently for the protection of the classes which are sought to be protected expressly in those measures, still really are intended for the protection of the British Government in this country. I would like first to deal with the general aspect of this measure. I have an instinctive abhorrence or dislike for measures which try to restrict the freedom of the citizens of any country. When I try to find out the reason for my instinctive dislike, I find there are two. One of the reasons is that when you try to pile up measure after measure of this kind, a general atmosphere of fear is created round every public man. This is not a solitary measure which is trying to restrict the freedom of the people of this country. One Bill after another has been introduced and passed, with the result that the most loyal subject, the most constitutional public worker in this country, feels a kind of nervousness, he feels a kind of hesitancy in undertaking public work.

Sir, I am not against any kind of penal legislation. Penal legislation is absolutely necessary for anti-social and anti-moral acts, but when penal legislation is proposed for acts which in their nature are not anti-social, but which are considered to be anti-social by Government, when they transgress the limits of reasonableness, surely we must accept such measures with a greater caution than was shown by the Deputy Leader

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of the Nationalist Party. Sir, it is true that there are some acts which do become anti-social when they are carried beyond a certain limit. At the same time we must remember that the apprehension felt by even the most loyal citizens, when such measures are passed, is also a natural one, because our safety depends upon the whims and caprices of the Magistrates and Judges. The border line between an act which is legal and an act which is illegal is so thin that no man feels safe to conduct his public work in this country.

There is another reason why I have an instinctive abhorrence for such measures. Whatever may be the professed object of passing these measures, their application goes much beyond what appears on the surface. I shall give you only two instances. Some years ago, this Legislature passed an Act in order to put a check to the communal hatred that was feared to grow between the Hindu and Muslim communities—I think that was section 153, I do not remember the section exactly. That Bill was passed. Last year one of the provincial Governments launched a prosecution against a man who stated publicly that the capitalists exploited their workers, on the ground that it created hatred between two classes. I will give you another instance. Last year, the Legislature passed what is called the Ordinance Legislation. It was stated that the measure was intended against the acts of those people who resorted to civil disobedience. I have seen a prosecution launched under that measure against a person who resorted to picketing purely in an industrial dispute. Sir, after having got this experience, is it unnatural that people like myself, who have to take part in agitations, should feel a kind of fear when such measures are proposed ?

Dealing with the legislation before the House, let us see what grounds the Home Member has put forward in support of it. The Home Member first stated that India was one country although it was divided between British India and 500 Indian States. I agree with that statement. India is one and indivisible, but the question is not whether we agree to that statement ; the question is whether the Rulers of States agree to that statement or not. We on our part are anxious that India should be regarded not only as one social unit, but that it should be regarded as one political unit and that there should be a strong Central Government in the whole of India and not only in British India. (Mr. B. Das : “ Hear, hear.”)

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. The Honourable Member will resume his speech after Lunch.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. N. M. Joshi : When the House adjourned for Lunch, I was dealing with the point made by the Honourable the Home Member that India, being one country, the Governments that exist within the borders of this country should have the same protection which the Government of

British India have. I stated that we, the citizens of British India, are anxious that not only India should be one socially and ethnologically, but India should have one strong Central Government. That is our ambition. Unfortunately the rulers of Indian States are equally anxious that the Government of British India should have as little to do with the Government of Indian States and, it is on account of that fact, in spite of our desire that there should be a common Government for the whole of India, we are obliged to treat some Governments within the borders of India as being foreign to ourselves. Let us examine the present Constitution itself. Under the present Constitution, it is true that the Governor General in Council has not only control over British India, but he has also some control over the Governments of Indian States. That control is strictly limited. I am sure, even the Honourable the Home Member will admit that the control which is exercised by the Governor General in Council, on account of the power of paramountcy, is limited to grave maladministration of Indian States. The Governor General in Council has no control over the day to day affairs of Indian States. If there is an act of injustice in an Indian State, the Governor General in Council has no control. If the acts of injustice go on multiplying and if the extreme limit is reached and the Government of India find that there is grave maladministration, then alone the Government of India can exercise their powers of paramountcy. Whatever may be the opinion of the Government of India and the Political Department in this matter, the rulers of Indian States are not going to admit that the Government of India have got power to interfere in day to day administration. Mr. President, you have been a Member of this Legislature for a long time and, may I ask you, on how many occasions could we discuss in this Legislature the question of injustice done in Indian States to British Indian subjects? We have discussed the questions of injustice done to British Indians in South Africa. We have asked hundreds of questions on this subject. We have asked questions of injustice done to British Indian subjects in the United States of America. May I ask you to bring to mind, Mr. President, whether any questions were admitted at any time in this Legislature regarding the injustice done to British subjects in Indian States? How many times have we been allowed to discuss injustice done to British Indian subjects in Indian States? We are not allowed to discuss these questions in this Legislature, although we are allowed to discuss the injustice done to British Indian subjects in foreign countries like the United States of America and the dominion of South Africa. This is the present Constitution.

Now, let us examine the future Constitution which is proposed to be established. If there is really little connection between the Government of British India and the Governments of Indian States, the connection between the Government of British India and their own Governments will be much less in the future Constitution. The Princes are claiming that in the future Constitution the powers of paramountcy will not be exercised by the head of the Federal Government, but they will be exercised by another entity, called the Viceroy of India. That shows the desire of rulers of Indian States that the connection between British India and their own States in the matters with which we are concerned in this Bill should be as little as possible. The rulers of Indian States, after a few years, may even go further and claim that the same person should not be the Governor General of India and the Viceroy and thus they may complete the separation that already exists between British India and the Indian States. I can understand the Government of a country wishing for protection against

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conspiracies of its own citizens when the citizens of a country have got constitutional rights to get their grievances redressed. That is the justification for any Government of a country seeking protection against conspiracies of its citizens, but why should a Government which has nothing to do with our Government, which is as foreign to the Government of ours as the Government of the United States, if it is not more foreign as I have shown in this matter, claim this right? There are very few countries besides India which try to protect the Rulers of other States in a vicarious manner. The Government protects itself against conspiracies, but it does not undertake the vicarious duty of protecting the Rulers of other States and I do not know why our Government, when the Rulers of Indian States themselves are anxious that their Government should be kept separate in the matter of law and order, should undertake this duty. Moreover, I can understand the Government, which is constitutional, expecting its citizens to be constitutional, but what is the Constitution which the Rulers of Indian States have given to their subjects and what is the constitutional remedy which British Indians have against injustice done by the Rulers of Indian States. I, therefore, think that when our Government insist that when we want our grievances to be redressed against the Rulers of Indian States, we must adopt only constitutional methods. I want the Government to tell us what is the constitutional method open against injustice done in Indian States. I have shown that there is very little constitutional method open. If constitutional method is open, by all means insist upon only constitutional methods being employed or at least see that the Governments of Indian States first become constitutional and then expect either the subjects of Indian States or subjects of British India to be constitutional.

Mr. President, the second argument used by the Honourable the Home Member in support of this measure was that there must be reciprocity in this connection. He told us a historical fact that the Rulers of Indian States had helped our Government in putting down the agitation in British India. I am aware of that fact. I remember very well an *ex*-Member of this Assembly, a well-known man in India, Mr. Muhammad Ali Jinnah, being sent out bag and baggage from an Indian State. I remember a man like Mr. Srinivasa Shastri being forbidden to speak in another Indian State.

Mr. B. Das : Shame.

Mr. N. M. Joshi : It may be true that these Rulers of Indian States have helped our Government in putting down political agitators in this country, but is it right that those Rulers, who do not want to have any connection with us, should be protected on the ground of reciprocity? The only matter in which they are willing to have reciprocity is to tighten the ropes round the necks of Indian citizens? Do they really want reciprocity with us in all matters? If they want it, we, in British India, also want reciprocity with the Rulers of Indian States and with the subjects of Indian States. Let us examine how far they are willing to have reciprocity with British India? Examine the White Paper. The representatives of Indian States, according to the proposals of the White Paper, will have a right to discuss purely British Indian affairs. They will have a right to vote purely on British Indian matters, and even on a legislation like this which will not be applicable to Indian States. But, Sir, will the States, on the ground of reciprocity, agree that legislation of this kind applied in their own States could be discussed in the Federal Legislature and will the

Federal Legislature be allowed to discuss and vote on criminal law as will be applicable to Indian States ? They will not agree to such a reciprocity ; they do not desire such reciprocity. I will give you one more example. The White Paper proposes that all subjects of Indian States and perhaps the Rulers of Indian States will have the rights of citizenship, franchise and the right to stand as candidates in British India. During the examination of the Secretary of State before the Joint Parliamentary Committee, I asked the Secretary of State a question. I asked him : Will he, on the ground of reciprocity, secure similar rights to British Indian subjects in Indian States ? His reply was an emphatic " No ". Why ? Because the Secretary of State knows that the Rulers of Indian States are not willing to have reciprocity with British India. When the Rulers of Indian States are not willing to have reciprocity in these matters, why should our Government go out of their way to have reciprocity in this matter before us ?

There was another argument used in favour of this Bill. It was said that there is going to be a Federation and, therefore, all the units of the Federal Government should be protected even in these matters. If there had been a Federation, whose authority in the matter of criminal law or penal law had been acceptable to the Rulers of Indian States, I would certainly have granted the protection which is asked for to all the units of the Indian States. But, Sir, we are not going to have a Federation where the Federal authority will have any power in matters of criminal law in Indian States. Under those circumstances, why should we make the proposals for a Federation as the ground for giving protection to the Rulers of Indian States when they are not willing to accept the authority of the Federal Government in a matter with which this Bill is concerned.

Then, Sir, I wish to speak a few words about the position of subjects of the Indian States. Sir, the subjects of Indian States are at least for practical purposes the subjects of the British Crown and these poor people deserve some consideration at the hands of the British Government. What is their condition ? My friend, Mr. B. Das, has described those conditions in detail. He has told us that the subjects of most of the Indian States have not got even ordinary elementary rights, leave aside the constitutional rights of having a Legislature and discussing matters in that Legislature. They cannot hold a meeting to ventilate their grievances ; they cannot hold a Conference to ventilate their grievances. If they are treated with injustice, there is no power which can save them. You may know that when our future Constitution was discussed in London, there was a Round Table Conference. Every interest was represented at that Conference. We sent representatives of British India. On the other side, the people of Great Britain were represented including the representatives of the Government of Great Britain, of the Liberal Party in Great Britain ; when the Labour Government was in power, of the Conservative Party ; when National Government is in power, the Labour Party was represented. Were the subjects of Indian States represented at that Conference ? Not only were they not represented at that Conference by delegates, but when the subjects of Indian States wanted to appear before the Joint Parliamentary Committee to give evidence, even their witnesses were not accepted. Now, Sir, where are these subjects of Indian States to go for redress ? How are they to seek redress ? What business have our Government to tell them that they must follow only constitutional methods and not unconstitutional methods. Give them

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protection and then insist on their following the constitutional methods. Considering from all points of view, then, the Bill which is before this Legislature is undesirable. It is a Bill which seeks to support the States and their maladministration and their autocracy. The Honourable the Home Member admitted very frankly that even where there will be maladministration, you cannot resort to unconstitutional methods; you cannot create hatred for maladministration. That is the clause in the Bill.

Now, if we are not to create hatred, if we are not to create contempt for maladministration, I want to know what we are going to create for maladministration? Are you going to create respect and admiration for maladministration? Therefore, before our Government try to penalise the creation of hatred or conspiracies against Rulers from whom no redress is possible by constitutional method, let them see that the Rulers of the Indian States become constitutional rulers. At the beginning of my speech, I stated, although the professed object of the Bill was to protect the Princes, if you asked my opinion frankly, perhaps bluntly I might say that the Bill was equally intended to protect the British Government in British India. When we were discussing yesterday the question of protecting the proprietary rights of the zamindars, the representative of the European Group, who spoke on that Resolution in an unguarded moment, let out a confidential secret. He knew the secret, being a British subject, and there was no difficulty for him to know the warlike plans of Government. We Indians are not admitted even to the Cypher Bureau, but he being a good Briton knew the confidential plans. He said that the protection of proprietary rights in land were the first line of defence. Of course he did not say that these lines were the first line of defence for the British Government. He did not like to tell us the whole truth, but he just gave us a glimpse of what the truth was. Now, the Government of India, at the request of our zamindars, are creating that line of defence. Unfortunately that line of defence is not quite reliable. You know the shape of that line of defence and, if the artillery tries to hit the target, it might hit one of its own men. Not only it sometimes may do this by accident, but the artillery, not being homogeneous but heterogeneous, one section of the artillery sometimes hits at another section of its own line. Some of the gunmen are very erratic. Sometimes the gunmen, represented by my Honourable friend, Mr. Maswood Alunad, may open fire on another section represented by my Honourable friend, Bhai Parma Nand. That line of defence is found to be not reliable. It is a defective line of defence. This information about lines of defence was given to us yesterday by one of the representatives of the European Group. Many years ago I had heard from a man well known in my part of the country as being a very wise man. I had heard that he had also discovered these lines of defence. Sir, you may have heard about Mr. Ranade. He was a social reformer and was also regarded as a political leader by large sections of people in the Deccan. I have heard that Mr. Ranade used to tell those people who used to gather round him that in the Indian situation there were factors which would always be used by the British Government as lines of defence for the maintenance of their authority in this country during our struggle for freedom. We, in India, have got several such factors each one of which affords to our Government a very strong line of defence. The Hindu community is full of injustices. We have the evil of the caste system, the evil of untouchability, and the

evil of Brahmin, non-Brahmin quarrels. I am not suggesting for a moment that the British Government have created these injustices. We have to thank ourselves for these injustices in our social system. But there is absolutely no doubt in the fact that these injustices serve as bulwarks for the support of the British authority. I shall not tire out the House with instances. But I shall give you, Sir, one more. Take the religious intolerance amongst our own people. The Hindu-Muslim feuds. I am not suggesting for a moment that it is the British Government who created these feuds. We have to thank ourselves for their existence. But can any one deny the fact that these feuds amongst ourselves, between the Hindus and Muslims, have not served as a bulwark for the support of the British authority in this country? But these bulwarks have now begun to totter from their foundations. The Brahmin—non-Brahmin quarrel has practically ended, the leaders of the untouchables have begun to co-operate with the touchables in the struggle for freedom. In this House itself there are parties where the Hindus and Muslims co-operate. Therefore, it is natural that our Government should seek for other fortifications, other lines of defence. There are new lines of defence arising, one line of defence consists of the orthodoxy among the Hindus, as represented by my Honourable friends, Pandit Satyendra Nath Sen and Mr. M. K. Acharya, another line of defence we discussed only yesterday, and this Bill represents the line of defence which is the strongest of all. This Bill is intended, whatever may be the professed object of this Bill, to strengthen this line of defence and to strengthen this fortification. I wish to make an appeal, Mr. President, to our Government which is a British Government. I make this appeal as a loyal citizen. Whatever my amiable friends may have said yesterday about me, I still claim that I am a loyal citizen. I claim also that I am one of the most firm believers in the use of constitutional methods and I say, Sir, that I am not only a loyal citizen, I am not only a firm follower of constitutional methods, but I am an admirer of British history, not only of British history, but I am an admirer of British character and Britishers as a whole and, in that capacity, I make an appeal to our Government that measures of this kind are not in accordance with the traditions of British history. They are against their traditions. Instead of depending upon the forces of reaction, the forces of autocracy, let them depend upon the goodwill of the progressive sections in this country. They may say that they may show goodwill towards the progressive sections but that the progressive sections may not respond. Even then I say that the British Government should stick to their tradition of freedom. If they fail on account of our not responding, even their failure will be glorious. But, Sir, if the British Government insist upon staying in our country as unwanted guests with the support of all forces of reaction and autocracy, it will be an eternal disgrace to their tradition and history.

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : Sir, I remember the occasion as vividly as if it was only yesterday when, eleven years ago, in this very hall, the Legislative Assembly refused leave to Government for the introduction of the Princes Protection Bill which subsequently became the first certified legislation under the new Constitution. It may interest my Honourable friend, Mr. Ranga Iyer, to know that it was the Democratic Party which had taken the lead in the matter on that occasion. Sir, much water has flown down the Jumna Bridge at Delhi since that day, and I am free to confess that there has been a good deal of change in the atmosphere of the Indian States. My Honourable friend, Mr. Ranga

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Iyer, has referred to my brief association with the Princes in London, and I may tell him that I do not allow my professional engagements to interfere with my personal opinions on questions of public importance.

Mr. C. S. Ranga Iyer : Sir, I neither suggested nor insinuated that Mr. Neogy's professional engagements had anything to do with his private or public opinion. All that I suggested was that his experience as a Member of this House and his association with Indian States will enable us to get from him an enlightened lead in this matter.

Mr. K. C. Neogy : I never said that my Honourable friend made any uncharitable suggestion about me. But I wanted to tell this House that it was a watching brief that I had in London on behalf of a section of the Indian States which may very appropriately be described as the untouchables among the princely order ; and, if in that capacity I had occasion to see more of the game than those who were actually engaged in it and if it is that experience which my Honourable friend, Mr. Ranga Iyer, wants me to relate on this occasion, I can tell him that it was a great education to me to find that on that historic occasion the Princes and the people of India fought shoulder to shoulder for getting recognition of the just rights and privileges of their common motherland. Sir, much as I learnt to appreciate and honour some of the distinguished members of the order of Princes, I do not mind telling this House that I found very few of them yet prepared to make any substantial concessions of a constitutional character in favour of their people.

Now, Sir, my Honourable friend, the Home Member, has referred to the Federal Constitution which is looming large on the political horizon. My Honourable friend, Mr. Ranga Iyer, also made his confession of faith in that form of Government. May I also add that I was an enthusiastic supporter of that very ideal till the publication of the White Paper ? Sir, I cannot but recognise that if India wants to have self-government of the real type, if India wants to control her defence and foreign policy, we cannot ignore the Princes. The Princes must come into the Constitution if we expect to control the foreign and the defence policy of the country as a whole ; and it was in the hope that we were going to get real self-government that I, in my own humble way, tried to promote the idea of a Federal Government. Now, Sir, what have we got in the White Paper ? A mongrel Constitution to which I for one am not prepared to pledge my support. Sir, I remember very well the consternation that was created among the diehards in England and in India when it was found that the Princes had joined the British Indian leaders in demanding self-government on the basis of Federation, because they had counted upon the Princes to oppose the grant of self-government to British India, and they did not think that their patriotism would in the end even transcend their sense of expediency in having perhaps to go against the secret wishes of the powers that be. But when I find, as I find on the present occasion, Members of the Government of India giving their enthusiastic support to the federal ideal, when I find my Honourable friend, the Home Member, introducing measure after measure calculated to make India " safe " for Federation, then I begin to suspect. Now, Sir, I will not be partial to the Honourable the Home Member ; I will begin from that end of the official Benches. The Honourable the Leader of the House appropriately enough has taken the lead in this matter. He expects to secure the independence of the Railways,

independence or control of the future Federal Legislature, and he is trying to bring about that happy consummation which was described so graphically yesterday by the Honourable Member from Sind, when Mr. P. R. Rau would be riding on the back of the future Transport Minister. Coming to my Honourable friend, the Member for Industries and Labour, not being so bold as his other colleagues, he is just nibbling at the road system of India, it is said on behalf of an undisclosed principal, namely, the Army Department, in the name of co-ordination which will have the effect of curtailing the control of the Provincial Ministers over the road policy, for the benefit of the army, mechanised as it has been. My Honourable friend, the Law Member, not having an administrative portfolio of his own, has to content himself with aiding and abetting his Honourable colleagues in the pursuit of their common object. May I now come to the future Councillors under the White Paper? I do not know whether my Honourable friend, the Army Secretary, has inherited the qualities of his predecessor in office; if he has, he will perhaps find it possible to devote more attention to the Simla A. D. C. than to the future Federal Assembly. (Laughter.) And my Honourable friend, Mr. Glancy, when he introduces the Murshidabad Bill in future, will word it in cypher of the secret code, because it will be an Act of the Governor General. Sir, is this a picture of the Federal Constitution over which any one can enthuse?

An Honourable Member : What about the Finance Member?

Mr. K. C. Neogy : I am very glad my Honourable friend has reminded me of him, because I did not find him in his seat. The Honourable the Finance Member is engaged in lightening the labours of the future Finance Minister so that he could devote his undivided attention to the important task of raising taxation for the benefit of the Governor General and the reserved departments. Now, Sir, is it any wonder that the average British Indian, in which term I include myself, has no more use for the Federation? The attitude of the average British Indian may be summed up in these words "*Bhik nahi mangta : tumara kuttha bula lao*". That is the attitude of the average British Indian towards the Federal Constitution as adumbrated in the White Paper.

An Honourable Member : What is the meaning of that?

Mr. K. C. Neogy : My Honourable friend, the Home Member, in his Statement of Objects and Reasons of this Bill is yet undecided as to whether this measure is needed to satisfy the spontaneous promptings of the Paramountcy conscience or whether it is essential as a concomitant of the Federal Constitution that seems to be inevitable. If it is a matter of paramountcy, as has been pointed out by my Honourable friend, Mr. Joshi, how is it that we are discussing the measure here? It is no doubt true that the Governor General in Council is at the present moment, constitutionally speaking, the agent of that paramount power; but I ask my Honourable friend, Mr. Glancy, to tell this House as to whether the Princes relish the idea of the British Indian Legislature having anything to do with regard to the paramountcy obligations of the Crown. I do not think that the Princes would support the idea of this measure being considered at all by the British Indian Legislature. As has been pointed out by my Honourable friend, Mr. Joshi, in the future Constitution such a measure would relate entirely to the special responsibility of the Governor General. That has been secured by strenuous efforts on the part of the Princes. They do not want that British Indians should have anything to do in regard to

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such paramountcy matters. If it was on the other hand, a matter arising out of the Federal Constitution, how is it that this is not being postponed so as to enable the future Federal Legislature to afford the necessary protection to all the federal units, irrespective of the fact as to whether they belong to the category of British Indian provinces or the Indian States ? Is the Honourable the Home Member sure that the States would support the idea of the future Federal Legislature having anything to do with legislation of this character ? No, Sir. They have made it abundantly clear that, although the Federal Government and the Federal Legislature may be vitally concerned in maintaining the Federation unimpaired and, in preventing the disintegration of the Federation, they do not want these matters of common concern, as they are certainly matters of common concern, to be decided by the Federal Legislature of the future. So far as protection of States' interests are concerned, they have made it abundantly clear that they look to the Crown and to the Crown alone and to the Governor General as its agent, and not to the Governor General in Council, to afford them the necessary protection in the matter. I, therefore, do not think that the Honourable Member was quite right when he said that the Princes want such a measure. It may be that the Princes want many other things besides. But is the Honourable Member quite sure that the Princes want the British Indian Legislature to afford them protection ?...

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Rural) :

3 P.M. May I just interrupt my Honourable friend ?

Does he mean to say that, in the future Constitution, any legislation that may be required by a reserved department will not come before the Legislature ?

Mr. K. C. Neogy : It will perhaps have to be ultimately enacted as a Governor General's Act, as far as I can see.

Sir Cowasji Jehangir : I do not want to interrupt my Honourable friend ; but I want to put him right. I do not think that is quite so.

Mr. K. C. Neogy : If the Honourable Member will read the White Paper carefully, he will find that, so far as the Princes are concerned, they look to the Governor General and not to anybody else.

Sir Cowasji Jehangir : If I may interrupt the Honourable Member for a minute : I think he is confusing the issues. The question of legislation with regard to reserved departments, whether it be the Army or Foreign Affairs or Indian States, will have to come before the Legislature in future.

Mr. K. C. Neogy : I was dealing with the attitude of the Princes in regard to this matter.

Sir Cowasji Jehangir : The attitude of the Princes is perhaps rightly explained by the Honourable Member ; but the confusion comes in where he says that legislation with regard to the reserved departments will be done by Ordinance or by a Governor General's Act : that is not correct.

Mr. K. C. Neogy : It is undoubtedly true that legislation initially would come up before the Legislature ; but my point was that the Honourable Member could not have put the case of the Princes correctly if he meant that the Princes wanted protection from this Legislature by way of this particular enactment ; and what I wanted to convey was that, even

under the proposals of the White Paper, the Princes look to the Governor General to afford them protection in such matters, and not to the Governor General in Council. It may be that, as a matter of procedure, legislation may have to be initiated in the Federal Legislature; but what I wanted to know was as to whether the Princes approved of this particular procedure.

I will now try to examine some of the salient features of this particular Bill. Coming to the proposal to amend section 121A of the Indian Penal Code, I desire to point out that there is a fundamental principle underlying the present section 121A which is being infringed by this proposed amendment. Section 121 deals with waging war against the King; and if my Honourable friend will read the history of the enactment of section 121A, which was incorporated into the Statute in the year 1870 by an amending Bill introduced by Sir James FitzJames Stephen, an honoured name among British jurists who ever came out to India, if my Honourable friend will study the history of that enactment, he will find that this particular section was passed as being merely ancillary in character and supplementary to section 121. Section 121 dealt with waging war against the King; and it was found that there was a defect in the law, because there was no provision with regard to conspiracy to wage war against the King, which, but for the enactment of a specific provision, would have to be dealt with as abetment of waging war. If my Honourable friend will refer to the speech that was made by Sir James FitzJames Stephen, while introducing that Bill, he will see that this section 121A was merely a paraphrase of a provision of what is known as the Treason Felony Act, which was enacted in the year 1848, if I am not much mistaken. It was felt in England that but for a provision of this character, the prosecution of conspiracies, which might not achieve their object, would lead to considerable difficulty; and as this particular point was dealt with by the Treason Felony Act, Sir James FitzJames Stephen introduced section 121A for the purpose of serving the very same object.

Now, Sir, my point is this. Section 121 deals with treason. Treason goes with allegiance. There can be no treason if there is no obligation of allegiance, and section 121A deals with treason felony, and, there again, unless there is an obligation of allegiance, there cannot be any treason felony. Sir, I hope it will not be contended by the Honourable the Home Member that we, British Indian subjects, owe any allegiance to the 500 and odd Indian princes.....

The Honourable Sir Harry Haig : Will the Honourable Member explain what is the justification for section 125 of the Indian Penal Code?

Mr. K. C. Neogy : Section 125 was deliberately enacted for the protection of certain Asiatic powers which were in alliance with the Queen. My friend can take it that if his distinguished predecessors of those days had found it feasible, they would have enacted a similar specific provision in the interests of the Indian States.

The Honourable Sir Harry Haig : My friend does not suggest that British subjects owe any allegiance to the Asiatic powers?

Mr. K. C. Neogy : What I mean is this. You cannot amend section 121A in the way that you are seeking to do. I am not concerned with section 125, which creates a distinct offence, allegiance or no allegiance.

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In seeking to amend a particular section which deals exclusively with treason felony, you have no business to tamper with the underlying principle of that section, because, as I say, treason and treason felony go only with allegiance. It is only in the case of a breach of that allegiance which we all owe to the King Emperor that a charge under 121 or 121A could be sustainable. Legislation is not mere patch work, it is not mere scissors and paste work. There are fundamental principles which were perhaps better understood by our predecessors in those days.

I now come to the provision relating to the Press. My Honourable friend, in his speech, referred to the fact that this was originally contained in the Criminal Law Amendment Bill, which was passed into law against the teeth of popular opposition in November last. My Honourable friend said that although one of the clauses contained the provision which is now sought to be enacted with reference to the press in this particular Bill, that was dropped by the Select Committee. I could not quite catch what he said later, but I gathered the impression that the Select Committee thought that this particular provision could be re-enacted later....

The Honourable Sir Harry Haig : Considered. I think, I said, Sir, that in the Select Committee we thought that, if this proposal were to be pursued, it should be put up separately.

Mr. K. C. Neogy : Now, Sir, I have in my hand the Report of the Select Committee, and I naturally expected that if the Select Committee had offered a particular reason as stated by the Honourable the Home Member for omitting for the time being, this particular provision, they would have given us some indication of their attitude in the matter. But this is what the Report says. "We have omitted the references to Indian Princes and Chiefs". That is all. Now, Sir, my Honourable friend, along with two other Members of the Government, had a minute of dissent appended to that Report. No mention do I find even there as to the intention of Government in regard to this particular provision. What is more,—our amiable friend, Mr. Anklesaria, whom by the way I want to congratulate on his C.I.E....

An Honourable Member : And his pleasure trip to England !

Mr. K. C. Neogy : Even our Honourable friend, Mr. Anklesaria, had appended a minute of dissent. He was not satisfied with this particular omission. This is what he says : "The position in respect of Indian Chiefs and Princes will not tend to advance the object of the Bill", and so on. Then, later on, he says : "I would, therefore, keep sub-clause.....as it stood, originally in the Bill".

It cannot be said that this was dropped as a result of absent-mindedness or that the reason why it was omitted from this Bill was not inserted in the Report of the Select Committee out of sheer absent-mindedness. Here was Mr. Anklesaria to remind the Government of their duty....

Mr. S. G. Jog (Berar Representative) : Was an amendment given by Mr. Anklesaria ?

Mr. K. C. Neogy : I do not find any trace of any amendment in the discussions.

Sirdar Harbans Singh Brar (East Punjab : Sikh) : He had given notice of it, but he did not move it.

Mr. K. C. Neogy : What is this emergency provision which is sought to be introduced ? The idea is that the provisions of the Indian Press (Emergency Powers) Act, as amended by the Criminal Law Amendment Act, shall include cases in which any writings "tended directly or indirectly to bring into hatred or contempt or to excite disaffection towards the administration established in any State in India". Now, Sir, "tended directly or indirectly to bring into hatred or contempt",—what does this mean ? If the facts that have been related this morning by my friend, Mr. B. Das, and by my friend, Mr. Joshi, were printed, as they will be in the official proceedings of this debate, I am very much afraid, even that would come within this description, because the very bare narration of the facts as they exist in the Indian States may have the effect of bringing any administration into hatred or contempt, in spite of anything that anybody might do to prevent such a result. As to whether a particular publication does tend directly or indirectly to bring any administration into hatred or contempt, would depend upon the character or the facts which are disclosed, and not upon any motive or intention on the part of the writer to create any disaffection.

Sir, again, speaking as a result of my experience of the Indian Princes, I say that there are very honourable exceptions among their order,—but can it be said, even by my friend, Mr. Glancy, that there are not States in which things continually go on, for the bare publication of which, however truthful, a publicist may be hauled up on the ground that it would tend directly or indirectly to bring into hatred or contempt, very well-deserved hatred or contempt, the administration of those States,—and penalised for it ?

Sir, my friend, Mr. B. Das, read out an extract from a speech delivered by Lord Irwin at a meeting of the Chamber of Princes in March, 1931. That speech merely summarised a note which Lord Irwin had circulated on the 14th June, 1927, among all the Indian States, in which he laid down certain minimum requirements of good administration which he expected the States to satisfy. Now, Sir, my Honourable friend, the Political Secretary, when he gets up to speak, will perhaps oblige this House by telling us as to what effect that particular note has produced, how many Princes, for instance, have conformed to the requirements as laid down by Lord Irwin himself, and not by any irresponsible newspaper man. On this particular point I find, the Butler Committee, reporting in 1931, said that 30 Princes have established Legislative Councils most of which are at present of a consultative nature only ; 40 have constituted High Courts, and so on. It gives us the numbers of Princes who have taken certain steps in liberalising their administration. But then it added :

"Some of these reforms are still no doubt inchoate or on paper, and some of the States are still backward ; but a sense of responsibility to their people is spreading among the States and growing from year to year."

That was about three years ago. Will my Honourable friend, the Political Secretary, tell us as to what the progress has been in this matter ? Speaking at a meeting of the Chamber of Princes in March, 1931, Lord Irwin had to give a few bits of advice to the Princes. That

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was the last speech that he delivered at the Chamber of Princes. My Honourable friend, Mr. B. Das, has already quoted a portion from it, but there are some more observations in it which have some bearing on this particular measure.

This is what Lord Irwin said :

“ There is no use in disguising from ourselves that the new order of things and the irresistible logic of events are lifting the veil from much that has hitherto been considered of private concern, and more and more factors are tending to bring your affairs into publicity (*meaning the Princes*). Where there is criticism of any of your administrations, be it based on reasonable grounds or scurrilous and misinformed.....”

I want to draw the attention of the House to these words :

“be it based on reasonable grounds or scurrilous and misinformed ; the best answer on the part of those who have nothing to hide is the issue of full and regular administration reports from which the public may learn how your Government is carried on.”

Lord Irwin did not think of a legislation of this character as the remedy ! Then he went on to observe :

“ But let us not forget that, as you acquire a share in the control of common subjects, and as your internal affairs become of increasing interest to public opinion in India, there will come to you more and more responsibility for bringing your administrations to the level demanded of all modern Governments. I acknowledge gratefully that there are many States that have nothing to fear, where within the compass of their resources all that is possible is done for the welfare and progress of their subjects. But there are still others to which this description cannot apply ; where personal extravagance has injured the financial stability on which sound administration must rest, and where too little is spent on the welfare and advancement of the people. Where such conditions exist, they cannot fail to be a danger to the whole body of your Order, and I appeal to Your Highnesses to use all your influence, as the Viceroy must use his, to secure improvement.”

I very much expect the Political Secretary to tell us as to what effect this admonition had upon those other Princes to whom his Lordship referred,—how many of them have established Legislative Councils, for instance, which he had advocated, though not in so many words, how many have conceded the most elementary rights of citizenship to their subjects, how many States permit public meetings to be held in their States without any permission.

Now, Sir, my Honourable friend, the Home Member, justified this Bill on grounds of reciprocity. I should like to know in how many States there is an independent press, because I take it, when he meant reciprocity, he meant reciprocity in regard to the different provisions of this Bill. I should like to know from the Political Secretary how many States have got an independent press, which would enable us to judge of the value of the reciprocal protection which we enjoy in regard to press criticisms of British Indian affairs.

Now, my Honourable friend has said : “ You cannot expect a dead level of similarity in regard to the forms of administration that prevail throughout this country.” I entirely agree with him there, and I do not think that it is any impediment to our having a Federal Constitution if, for instance, the States have a different system of administration from our own. But that does not mean that, whatever forms of Government may obtain in the States, the people themselves should have absolutely no voice in the affairs of the Governments of their own.

Now, Sir, I do not know what the present policy of the Government of India in this matter is ; perhaps, they think they have no right to dictate to the Princes as to what form of administration they should set up in their States. But may I draw the attention of the Political Secretary to what was stated by Lord Lytton on the occasion of the rendition of Mysore. This is what he said :

“ The British Government now undertakes the duty of protecting all Native States in India from external enemies and of preserving internal order by measures necessary for securing the people from misgovernment and for supporting the lawful authority of the Ruler. So also the powers of the British Government to prescribe the forms of administration (Cheers) and to insist that its advice be adopted are the necessary correlatives of the admitted responsibilities of the British Government for the internal peace of the whole Empire and general welfare of the people.”

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Sir Abdulla-al-Māmūn Suhrawardy, one of the Panel of Chairmen.]

I should like to know whether there has been any departure from this declaration of policy in regard to the Indian States. If the Honourable gentleman says that that was merely an expression of opinion on the part of an individual Viceroy, then I want him to tell us as to what effect has been given to the wishes of the last Viceroy of India who left our shores not very long ago. And may I take it that Lord Irwin's admonition in this matter represents the British policy in regard to the Indian States ? If that be so, my Honourable friend should have no difficulty in satisfying this House that substantial effect has been given to this piece of advice tendered by Lord Irwin, if he wants this House to support this particular measure.

Sir, my Honourable friend, the Home Member, said towards the conclusion of his speech, that Federation could not be built upon a basis of distrust. I entirely agree with him. But my conception of Federation is not a collection of units in a state of armed neutrality either. There must be perfect understanding and goodwill and community of interests among all the units of the Federation. That alone can make for a stable Government, whether of the federal type or of any other type. Now, Sir, my Honourable friend, in seeking to promote a legislation of this character at this particular moment, is only seeking to increase distrust where distrust was vanishing, thanks to the noble part which the Princes played in London in fighting the common battle of our common motherland. For all these reasons, Sir, I cannot give my support to this measure.

Mr. S. G. Jog : Just about an hour ago, a very influential man in the Government Benches made a remark that I was silent since the opening of this Session. I gave him the explanation that the Simla climate was more suited for silence than for any activity. However, I have great pleasure in breaking that silence and expressing my views on the measure that is before the House, which has got a gravity of its own.

I am glad to find that the Honourable the Home Member has realised and has also explained to the House the gravity of this measure. He also explained that he is in no hurry to rush this Bill, but at the same time he has made a motion for the Select Committee. The question is of still greater importance, because it has been associated with the question of Federation. People in India are getting more and more impatient as regards this Federation idea and everybody is anxious that, in whatever

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form it may be, the new Government should start functioning,—the sooner the better. The more it is delayed, people are getting more and more anxious about the coming Federation. The question of granting protection to the Princes is of great importance as I have just now said. Probably many Members of this House have no idea of the number of States in India and their population. The area covered in the Indian States is 675,267 square miles with a population of seventy millions. The Indian States embrace the widest variety of country and jurisdiction. They vary in size from petty States like Lawa, in Rajputana, with an area of 19 square miles, and the Simla Hill States, which are little more than small holdings, to States like Hyderabad, as large as Italy, with a population of thirteen millions. They include the inhospitable regions of Western Rajputana, Baroda, part of the Garden of India, Mysore, rich in agricultural wealth, and Kashmir, one of the most favoured spots on the face of the globe. This is the area and this is the number of States that will be affected by this legislation. Although the legislation is a very small one, its implications are of grave consequences. This is the first time the House gets an opportunity of discussing the political affairs of Indian States and it is for the first time that the Honourable the Political Secretary has come to the House and is anxiously listening to the debates. Though the measure has been introduced by the Home Department, it is no doubt at the dictation of the Political Department. It is no doubt true that the relations between the States and British India are of an extremely delicate nature. How far the Political Department will be justified in interfering in the internal affairs of the State is a very difficult question. They interfere when they like and, when they do not want to interfere, they give the reason that they are not authorised to interfere with the affairs of the State. I am glad to find that the Political Department is coming more and more into the discussions of this House and I think this itself is an indication of the political progress in the States. The question of the protection of the Princes came prominently before this House in 1922 and this measure has a notoriety of its own. It was introduced by the then Home Member, the Honourable Sir William Vincent. I would like to tell the House with what scant courtesy this measure was treated by the House then. Even breaking the convention of the House, it was thrown out at the first introduction of the measure. It was for the first time that the Viceroy exercised his power of certification. The Bill went before the Council of State. As to what happened there, the Assembly debates give us no guide. One speech was made by the Honourable Sir William Vincent and one speech was made by Munshi Iswar Saran and the motion was negatived by 48 votes to 41. That is the only record of the debate we have got and the whole measure was summarily rejected by the House. Then, the matter was taken up by the Council of State and there the matter was not thoroughly discussed and, without much discussion, it became the law under the certification power of the Viceroy. This is the history of this legislation. Soon after the inauguration of the reforms, the Viceroy had to use his power of certification, and, as such, this measure has got a notoriety of its own. The Honourable the Home Member then made out his case on three grounds. He said that the British Government was under a pledge bound to respect the privileges and dignity of the Princes. There were several attacks made in the press and elsewhere of which he had given instances, but I do not wish to tire out the House by reading all

those. The Government then thought that it was their bounden duty to protect the Princes. Whatever may be the effect of that legislation, we have a sort of legislation which has been able to protect them so far and the question before this House now is, whether there is any necessity of amplifying that legislation or introducing a new measure. The Honourable the Home Member, in his Statement of Object and Reasons, has stated :

“ Experience in recent years has shown that the ordinary law is not adequate to afford States in India the protection they may reasonably expect against activities which may be carried on in British India.”

I presume that by the ordinary law he refers to this measure which has been passed already, for I do not know if there is any other ordinary law.

The Honourable Sir Harry Haig : I meant the whole body of law existing in British India.

Mr. S. G. Jog : May I know if there is any other law which protects the Princes ?

The Honourable Sir Harry Haig : The Honourable Member will understand that this Bill seeks to amend the Indian Penal Code which in certain respects is inadequate for giving that protection which we consider to be reasonable.

Mr. S. G. Jog : I quite see the point. But the ordinary law to-day is the Indian States Protection Act, of which section 3 runs as follows :

“ Whoever edits, prints or publishes or is the author of any newspaper or other document which brings or is intended to bring into hatred or contempt or excites or is intended to excite disaffection towards the Prince or the Chief of the State or the Government and Administration established in such a State shall be punished with imprisonment which may extend to five years, or with fine, or with both.”

This is the existing provision which we have got, and what we have got to see is, whether the existing provision is sufficient or not to meet the requirements of the present times. If we find that the present law is quite enough to meet the case, then I, for one, do not see the necessity of the present measure that is before the House. Another constitutional question which has been raised in the House today is whether we are bound to have this legislation so long as the administration of the Native States does not come up to a particular standard. My friend, Mr. Neogy, has already read out some speeches of Lord Irwin and I will read out to the House the speech which Lord Minto made in the year 1909 :

“ Our policy with rare exceptions is of non-interference in the internal affairs of the Native States. But in guaranteeing their internal affairs and in undertaking their protection against external aggression, it naturally follows that the Imperial Government has assumed a certain degree of responsibility on the general soundness of their administration and would not consent to incur the reproach of being an indirect instrument of misrule.”

I would appeal to the Political Department and to the Home Member before an action is being taken for giving this protection, which may amount to a passport, whether it is not necessary for the Political Department and the Home Government to find out as to what steps have been taken by the Native States themselves to bring their administration

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in a line with the other approved forms. I have no quarrel with the form of administration, but, at any rate, it must be a good administration. A bad administration can, in no sense of the term, be called any administration. Whatever the form of administration may be, it must be a good government. When the Princes want protection, they have also to discharge certain obligations to their State and to their State people. In this connection I would like to read a passage :

“ In the historic Proclamation of Queen Victoria, it was set out that we desire no extension of the present territorial possessions and will permit no aggression on our Dominions and the rights We shall allow no encroachment of others. We shall respect the rights of the Princes as our own and we desire that they, as well as our own subjects, should enjoy that authority and that social advancement which can only be secured by internal peace and good government.”

I again earnestly bring to the notice of the Government that the obligations of the Political Department, as well as of the British Government, are to see that good government exists in all these Native States.

The House will find that I have given notice of an amendment that the present Bill should be circulated among the Princes in India as well as their subjects. What I mean to say is this. I have no means of knowing how far the Princes themselves have moved in the matter and have asked the Political Department to move the Government of India machinery to have a legislation of this kind or whether it is the Political Department itself which has moved this motion on its own initiative. I must tell this House that the Princes of the year 1922 and the Princes of the year 1932 are quite different. I am not prepared to say that the administration of all the States is bad. I am glad to find that many States are progressive. In many States they have introduced legislation and reforms. In many States many of the British laws are administered and the government is being carried on on progressive lines. I still think that if the question is referred to the Princes and they are asked whether they would like to have this sort of protection from this House, it will be making a confession of weakness on the part of the Princes if they will approach this Government and this House for a measure of this kind. I still believe that, out of the 600 Princes, I do not think many will come forward and ask for this protective measure. I am glad to find that, since the Round Table Conference, the Princes and their representatives are coming more and more in close contact with the British Government. There is no doubt that the angle of vision has considerably changed, although it may not be up to the expectations of some of us. But I do find that they are progressing in the right direction. It may take some time to come up to our standard, but that cannot be helped. Last time, in 1910, when this measure was to be introduced and when the press was abolished, the members of the Committee saved the difficulty. At that time, when the Committee met, they said they had not sufficient materials from the Princes to say whether they wanted any protection and that they were extremely handicapped for want of this information. Another point I have to make is that in India there are so many States and there are so many different organisations. Many of these associations in the Indian States, for various reasons, find it easy and more convenient to have their

grievances ventilated in British India and they will be seriously affected by this measure. Therefore, I move this amendment :

“ That the Bill be circulated amongst all the State Subjects' Associations throughout India for the purpose of eliciting opinion thereon.”

I want this Bill to be circulated to all States Associations, called Prajamandals, and we should be in a position to know the views of these Associations. After having said so much, I do not want to detain the House any longer. We will have to find out the means whereby we can pave the way for the future Federation. If the Princes demand, as a condition precedent to their joining the Federation, the granting of more powers to them. I think it is our duty to examine the case very critically and very carefully and we must try to do a thing which may not stand in the way of Federation. I find from the reports of the Round Table Conference that almost all the British Indian delegates have come to the conclusion that Federation is the only form of Government that India should have and that it is only the hope of getting a Federation that still keeps all the delegates together. I find from the proceedings of the Federal Structure Committee the following :

“ A further examination of the problem has confirmed them in the belief that by no other line of development can the ideal in view be fully realised. For this purpose it is essential that the ‘India’ of the future should include, along with British India, that ‘Indian India’ which, if Burma is excluded, embraces nearly half of the area and nearly one-fourth of the population of the country—an area and population, moreover, which are not self-contained and apart geographically or racially, but are part and parcel of the country’s fabric ; ”

In the British Indian fabric we have to make use of the Indian States. My Honourable friend, Mr. Joshi, has given out that that particular fabric may not for the time be equal to the fabric which we have in our administration. But, in course of time, this coarse fabric may be improved and may be made to fit in with the British Indian administration. We have to know as regards this measure whether the initiative has come from all the Princes or from a few of the Princes or whether the initiative has been taken by the Political Department to fortify themselves in the new Constitution or whether the Home Member has taken the initiative for strengthening the new Constitution. Whatever they may be, I should like to put in a word to the Princes, that all these artificial protections will avail nothing to them. The real protection for them is the progress that they will make in their own States. The contentment of their subjects and the conceding of more and more powers to their subjects would be the real protection for them and, after all, these artificial protections will prove fruitless. Sir, as I have said, I strongly recommend that the measure should be circulated amongst the Princes as well as amongst the Indian States subjects whose views will be available to us and, after getting the views from those bodies and from those Princes, we will be in a better position to see what sort of protection is necessary. After all, even taking the newspapers, some of them might be exploiting the Princes for their own ends. They might be utilising the Princes for some ulterior object. There may be cases like that and, in that case, it may be necessary to have some measure of protection to the Princes. If the House is satisfied that some measure of protection is necessary, the House will willingly do so. But, before we do that, we must have some material to go upon and to give us satisfaction. Sir, I move.

Mr. Chairman (Sir Ab lulla-al-Mámiñ Suhrawardy) : Amendment moved :

“ That the Bill be circulated amongst all the State Subjects’ Associations throughout India for the purpose of eliciting opinion thereon.”

Mr. Muhammad Anwar-ul-Azim (Chittagong Division : Muhammadan Rural) : Mr. Chairman, I am extremely grateful to you for this opportunity afforded to me to speak on this important measure. I should, at the very outset, like to reserve to myself my considered opinion whether it is desirable at this stage of the advancement of India that we should have Federation with the Indian Princes. I should first start with the subject matter of this Bill. It seems, Mr. Chairman, that the previous speakers have overlooked altogether the purport of this small Bill of seven clauses which has been brought up. I do not say for one moment that measures of this kind adumbrated here in these clauses are normally necessary and I am certain and I am convinced in my belief that perhaps the Government of India had materials at their disposal to come forward before this Assembly with a measure for the protection of the princely order. It is certainly true that the Indian States, just like the seeds in a cake, are scattered in almost all the centres of this big continent. I think it is only fair that people, living beyond their jurisdiction, should not take upon themselves the liberty of saying how best these Princes should administer their States. After all, as I have said at the very beginning, I should not like to go into that complicated subject of Federation. But it seems to me, personally speaking, that perhaps there is a great force in what the previous speakers said, namely, that you keep a very untidy and careless sort of administration, in between, this big continent, and perhaps the contagion from that side may catch fire here in the British territory also. I think there is a great force in that contention of my Honourable friends. But, so far as I am concerned here today, I have heard from the Honourable the Home Member that the sole purport of this Bill is to amend certain sections of the Indian Penal Code and thereby to empower district officers to prevent *jathas* entering into the Indian States with a view to creating trouble there. My idea is this. If you continue to start *jathas* and if you are not going to stop these inroads into the Indian State territories, I am certain, every one will admit that the condition of India will be reduced to that of Russia or, for the matter of that, the condition of the territories beyond the Frontier is sure to be repeated here in this country. Mr. Chairman, the previous speakers have of course taken side issues and have not faced the Bill. They have put this question to the Government of India whether as a responsible organisation in this country it is right for them as a Government to offer this protection to a class of people who, in the words of Mr. Neogy, are in various stages of development. As I said at the beginning, I do not like to go into matters of that description. My idea is this. I think things are only taking shape just now and if these things are over-threshed here on the floor of the Assembly, perhaps our ideals in certain directions may not be realised. That is why I say that I should not like to go deeper into that aspect of the case. In this connection, Mr. Jog has pertinently put one question whether the Government of India, as a responsible organisation, are not free to tell this Assembly that they had

this representation from the "Narendra Mandal" which is the organisation of the Princes; for, I am certain, that unless they had received it, they would not have come forward with this piece of legislation. There is certainly great force also in the view when the Government of India have got authority over these Princes, they, as a suzerain power, should have first tried to make them come up to a certain level of civilisation in matters of up-to-date governance, so to speak. If they could bring their administration even to the level of the District Boards and Municipalities of India and offered some semblance of self-government, perhaps Government would not have found so much criticism over this measure. But I think there is, really speaking, a great force in that contention of my friends. As the Government of India have started to take this parental interest in the affairs of the Indian States, I think, if I had any say in the matter, by way of advice, I would have told the Princely order to so adjust and arrange their houses that there may not be any criticism whatsoever in the way of allowing them to come into the Federation.

Sir, I do not think it is at all necessary for me to reply *seriatim* to what has fallen from my friends, Messrs. Das, Neogy, Ranga Iyer and Joshi. I am sure, they are entitled to their own opinions, but I think if they had placed themselves in the position of the Government of India and had experience of the last three years as to the events at Alwar, Kashmir and other States, they would not have been so very critical about the actions of Government. If I could give any advice to my friends on my right, I would tell them that they would have utilised their influence and experience much better if they had tried to stop these troubles getting into the Indian States. I am greatly convinced that perhaps the troubles of the last two or three years have been responsible for bringing in this Bill. This is a small protective measure and the maximum punishment prescribed here is six months, and of course the infliction of that punishment is in the hands of Indian magistrates who are all brothers and relations of my friends to my right.

Mr. Neogy, at the beginning of his speech, made one very important point that any statement about the working of the Indian States might bring one within the mischief of this law. But I may humbly tell him that there are safeguards here, and why should he not trust his kinsmen and his friends and relations who are the judiciary in this country? They are not foreigners; as a matter of fact, there is so much Indianisation from the Hindukush to Assam that I do not think anybody need be afraid on that score. It is not such a terribly bad measure that it should evoke so much opposition from my friends on my right.

Mr. Chairman, mention has been made of previous Viceroys' after-dinner talks or talks of that kind at times. Viceroys, of course, make statements on their own responsibility, but here we are only concerned with the facts contained in this piece of legislation. If any Viceroy gave any assurance about the Indian States, he must have given it on his own responsibility; and, it may be, that, because those desires or instructions of previous Viceroys have not been consummated, that has actuated the present Government of India to bring forward this measure. My esteemed friend, Mr. Joshi, said that this was one other item of protection which Government were introducing for their own advantage. I

[Mr. Muhammad Anwar-ul-Azim.]

do not know how far he is right or wrong, but here the Government of India, as a responsible body, have got a duty to discharge and, if they have brought in this piece of legislation, I am sure, they have not brought it too early. With these few words, I support the principle that it be referred to the Select Committee.

Sir Cowasji Jehangir : Sir, I do not propose, when I rise to address this Honourable House on this Bill, to survey the whole constitutional position as it faces us today, as I do not think it advisable to follow my Honourable friend, Mr. Neogy, in what I consider a really clever speech, but which may not have been quite relevant in some parts although, on the whole, most interesting. I propose to confine myself entirely to the Bill that is before us.

Mr. K. C. Neogy : Why did not the Honourable Member take the same exception to the Honourable the Home Member's speech, because it was he who first referred to the constitutional aspect and went into details with regard to the Federation ?

Sir Cowasji Jehangir : I regret that I have forgotten the Home Member's speech. I will first refer to clause 3 of this Bill which will amend section 121A of the Indian Penal Code. Personally, I really do not see any strong objection to that amendment, specially when one comes to consider section 125 of the Code. Section 125 of the Code gives the same protection to an Asiatic power in alliance or at peace with the Queen. Well, I do not see why an Indian State should not be placed on the same level with an Asiatic State in alliance and peace with the Queen ; and, so far as I can understand this amendment, it goes no further than placing an Indian State in the same position as an Oriental State....

Mr. K. C. Neogy : Not at all : if I may interrupt the Honourable Member, he will realise that the proposed amendment is not to section 125, but to section 121A, which places the Rulers of States exactly in the same position as His Majesty the King-Emperor.

Sir Cowasji Jehangir : No : I do not agree with the Honourable Member. That is not the position. The position is this : that in 121A the words are :

“Whoever—(meaning any British Indian subject)—within or without British India conspires to commit any of the offences punishable under section 121 or to deprive the Queen of the sovereignty of British India or of any part thereof or conspires to overawe by means of criminal force or a show of criminal force the Government of India or any local government”

and here is the insertion—“or the administration of any State in India”. Therefore, it places an Indian State in the same position as section 125 places an oriental State in alliance or peace with Her Majesty the Queen. That is my reading of the amendment. I may be wrong....

Mr. K. C. Neogy : You are.

The Honourable Sir Harry Haig : In view of the assertion of my Honourable friend, Mr. Neogy, I would point out that he does not seem to have read the section which is being amended, when he says that in effect this puts the administration of an Indian State in exactly the same position as His Majesty the King. It is not so. Section 121A says :

“Whoever, within or without British India, conspires to commit any of the offences punishable by section 121—very serious offences against the Crown—or to deprive the Queen of the sovereignty of British India.....”

None of that applies to Indian States. The only effect of this amendment of section 121A is to prohibit a conspiracy to overawe by means of criminal force or the show of criminal force the administration of a State in India.

Mr. K. C. Neogy : My point was that the whole of section 121A was a paraphrase of a provision of the Treason Felony Act, which was an ancillary provision to the provision regarding treason.

The Honourable Sir Harry Haig : My point is that this amendment affects only a portion of section 121A, and not the whole of it.

Mr. K. C. Neogy : But that portion, again, is part of the Treason Felony Act.

Sir Cowasji Jehangir : That is my humble opinion, whether I be right or whether I be wrong. But when we come to clause 4 of the Bill, I must state that I begin to get rather doubtful. We cannot compare British India with an Indian State. We are proud to be able to say that in British India we do not hear of some of the scandals that we do hear of in Indian States.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

I believe the Foreign Secretary cannot contradict me nor can the Home Member. It is a fact and, on the floor of this House, we have got to face facts. It is no use hiding them and closing our eyes to the facts. Things do occur in Indian States which cannot possibly occur in British India ; and when you come to amend the Press Act and to put an Indian State exactly on the same level as British India, you may be going a little bit further than you intended to go. I will try and explain what I mean. You are inserting in the Indian Press Act the following words :

“ to bring into hatred or contempt or to excite disaffection towards the Administration established in a State in India.”

We know what the Courts have held about the words “ which would excite disaffection ”. Now, there are cases in the Administration of Indian States, the facts of which, if related correctly on the strongest of evidence, would be held by Courts to excite disaffection. Is it intended that, by this Act, no one in the press in India can expose the ill-treatment of an Indian British citizen in an Indian State or even of the citizen of an Indian State ? If you relate facts, I contend you are bound to excite disaffection. You cannot help it. Your safeguards do not go far enough. The *Explanations* to that section do not go far enough. Take *Explanation 2* :

“ Comments expressing disapprobation of the measures of the Government with a view to obtain their alteration by lawful means, without exciting or attempting to excite hatred, contempt or disaffection, shall not be deemed to be of the nature described in clause (d) of this sub-section.”

In British India this is a protection. Would it be a protection in connection with an Indian State ? I contend with pride that few acts of the Government of India in India, if related correctly, could be held to excite disaffection ; but I am not so sure that acts of some of the Indian States, correctly related in an Indian paper in India, would not create disaffection against those States. Therefore, your *Explanation 2* does not protect the press with regard to Indian States, while it might protect them with regard to British India. I think I have made my point fairly clear. I do not want to make it clearer. I could, but I may be guilty of an offence.

[Sir Cowasji Jehangir.]

Mr. President, I would again draw the attention of the Government Benches that it is paying no compliment to themselves when they place British India and Indian States on the same level, and they cannot amend an Act which applies to British India, so as to make it applicable to Indian States. The circumstances are so different. There are Indian States and Indian States....

The Honourable Sir Harry Haig : The Honourable Member must remember that exactly the same provisions applied from 1910 to 1922 both to British India and in Indian States.

Sir Cowasji Jehangir : You may have made mistakes in the past, but as we have been told, much water has flowed under the bridge since then, and much water will flow under the bridge before we get Federation. By that time circumstances may change considerably,—they have already changed to such an extent that you cannot amend these Acts in this way to suit the circumstances prevailing in British India and in Indian States. Sir, I am a strong advocate of Federation, and I have openly, both on the floor of this House and in other places, candidly and willingly acknowledged the assistance given to the Indian delegation at the Round Table Conference by the Indian Princes and by their representatives, and I would be the last to go out of my way, whether it be on the floor of this House or elsewhere, to expose what must be admitted to be maladministration in some of these Indian States. No one knows better than the Honourable Members, sitting on the opposite Benches, of this maladministration, and it is no use,—I repeat,—closing their own eyes or asking us to close ours. That is not going to help Federation. Therefore, Sir, I am distinctly doubtful about the amendments proposed in clause 3. I believe that it may be doing,—I don't say it will be,—I am not sure,—I want further opinions, I want further light thrown on this question,—I say it may be doing an injustice to the press, and it may be doing a greater injustice to the Indian States to prevent exposure. After all, it is criticism, it is exposure, that opens the eyes of both Indian States and Government. If there was no criticism, if there was no exposure, there would be no remedies to this maladministration either on the part of the Indian Princes themselves or of the Indian Government, and, therefore, to protect the Indian Princes to the extent that it might be illegal to publish facts and figures which may not be creditable to the Indian States, would be going too far. Sir, under those circumstances, my Party have decided to support the amendment for circulation. We would like to have more light thrown on this Bill in the interests of all parties, and we earnestly desire that there should be no hush hush policy adopted with regard to Indian States. Sir, I am not going further into these clauses, because, if this Bill goes for circulation, we shall have a considerable amount of material before us to be able to judge how far these amendments go. I might, in passing, say that clause 5 of the Bill seems to be a protection given to Indian States which they may legitimately claim. I think there would be a justifiable grievance if, in British India, the Government allow organizations or associations to combine together to march into an Indian State with the deliberate intention of defying law and order in that State. I was surprised to know that that was impossible today, but evidently it is possible if Government find it necessary to bring in legislation to prevent it. I was rather surprised....

The Honourable Sir Harry Haig : We had to have an Ordinance.

Sir Cowasji Jehangir : Under those circumstances, I would be quite prepared to accept an Ordinance. I think any Indian State would have a legitimate grievance against British India, and, therefore, in passing, I say that I do think that clause 5 is justifiable. But, on the whole, we have decided,—I would repeat,—to support the amendment for circulation, and to save time, I may appeal to Government to accept that amendment. We are all out to save time, and, if Government are half inclined now, well, it will be just as well to make up their mind immediately and close the debate, for if Government agree to accept the amendment for circulation, this side of the House will be prepared to allow the debate to be closed (*Several Honourable Members from the Nationalist Benches :* “ Yes, yes.”), and we can go on with the next business.

I have nothing further to say, Mr. President. I think Government will be well advised to accept this amendment to allow the Bill to go for circulation.

The Honourable Sir Harry Haig : I am afraid, Sir, I cannot on the spur of the moment give an answer to my Honourable friend opposite, because, though we have not the slightest objection,—in fact we are anxious that this Bill should be thoroughly discussed and considered,—we are equally anxious that there should be nothing to prevent our taking it up effectively at the beginning of January. Now, Sir, I am not sure which the amendment is that my friend is supporting. I think it is an amendment for the circulation of the Bill by the beginning of January, but even that would mean that, at the beginning of the January Session, we should have to resume this debate on the question of setting up a Select Committee. That might take several days. Then the Select Committee will have to sit,—a matter of some difficulty during that Session, and by that time we should be in the budget discussions. Therefore, I am afraid I must ask my Honourable friend to allow the Government to consider his suggestion and not give an answer till tomorrow.

Sir Cowasji Jehangir : There is no desperate hurry in getting this Bill through as long as the Honourable Member has the assurance that this House is prepared to consider the Bill carefully. What is the desperate hurry ? He has done without this Bill so long and he can go on without this Bill for a few months more.

The Honourable Sir Harry Haig : It is not a question of doing without the Bill for a few months. If we fail to pass it in the January Session, we should not be able to proceed with it until this time next year, and that Government are not prepared to do.

Captain Sher Muhammad Khan Gakhar (Nominated Non-Official) : As a resident of a neighbouring district of the important State of Kashmir which was recently the victim of a calamitous misfortune, and as an eyewitness to the dire and dreadful consequences of the recent disturbances within and outside the territories of the Kashmir State, I rise to make a few observations on the Bill under discussion.

Sir, there cannot be the slightest shred of doubt that the present Bill will provoke considerable irresponsible criticism from a certain dubious section of public opinion in India. Indeed, it has already generated in this House a great deal of unnecessary heat and temper. My Honourable friend, Mr. Neogy, in his brilliant speech, spent a lot of time in draw-

[Captain Sher Muhammad Khan Gakhar.]

ing a picture of the Government Benches. The thing in which I do not agree with him is his description that the Army Secretary will be sitting in the Simla A. D. C. My Honourable friend, Mr. Joshi, said that he was loyal and, at the same time, he said that the British Government were an unwanted guest....

Mr. N. M. Joshi : I never said that. What I said was that the British Government should not remain here as unwanted guest with the support of the autocratic and reactionary forces. They can stay here with our support.

Captain Sher Muhammadan Khan Gakhar : I am sorry I have misunderstood the Honourable Member. As I said, it has already generated in this House a great deal of unnecessary heat and temper. With due deference to my Honourable friends, I would contend that all these criticisms are entirely unwarranted and unjustified.

Sir, there appears to be a large element of truth in the well known statement that human memory is very short, at least some of my Honourable friends would appear to substantiate the truth of the same. But, as His Excellency the Viceroy rightly pointed out in his recent address, the Indian States are entitled to claim that effective measures should be adopted by the British Indian Government against the serious and sinister agitation which is now being carried on in British India by interested persons. Sir, we cannot forget the important fact that the Indian States have as a body stood by British India in all times of stress and storm ; we cannot ignore the long chapter in the annals of our country which deals with the struggles of the Indian States on behalf of British India. We cannot legitimately brush aside the contributions which the Indian States have made to the cultural and political development of India as a whole. Indeed, those who participated in the deliberations of the first Round Table Conference will remember that the constitutional reforms envisaged in the White Paper proposals would not have been within the range of practical politics if the Princes as a body had not decided to throw in their lot with us. I would, therefore, make bold to say that responsibility at the Centre, for which British India is clamouring today, would have been a chimera, an unachieved and unachievable ideal, an empty and fruitless dream, but for the ready response and co-operation on the part of the Indian States. Is it not then our bounden duty to render every assistance to the States which are today being menaced and threatened by malicious agitation outside their territories where the arms of their law cannot reach the offenders ? Is it not then our duty to reciprocate the feeling which the Princes have always evinced with regard to the welfare and progress of British India ? If we seriously think what is the object of this Bill, as the Honourable the Home Member has stated in his speech, its object is to prevent unconstitutional agitation or mischievous propaganda against the States. I have no doubt whatever that all reasonable and fair-minded Members of this House will agree with me that we would be failing in our duty if we did not appreciate the difficulties which the Indian States were experiencing today, and did not come to their rescue by adopting such effective measures, as have been incorporated in the present Bill, against the serious agitation in British India which has become a menace to the well ordered progress and development of the States. In this connection, I trust my friends on the opposite Benches

will not fail to remember that we do not live in hermetically sealed compartments, and that disorder and disturbances within the territories of the Indian States must necessarily transcend the frontiers and affect the masses in British India.

Sir, I have no high pretensions ; I am only a mere soldier. I would, therefore, leave the first four sections of the present Bill to the brilliant legal luminaries on the opposite Benches and confine my observations to the last three sections. Sir, those amongst us who have had the sad experience of the last disturbances in Kashmir and other parts of India, those amongst us who have seen the misery and hardships which these disturbances had brought in their train, those amongst us who have seen men, women and children without any food and shelter, suffering from terrible hunger and privation, will undoubtedly lend their fullest support to these provisions of the Bill. I remember the day when about 2,000 persons crossed the Jhelum river and poured into the town of Jhelum from the Mirpur district of Kashmir, suffering from starvation and other hardships which the disturbances in Kashmir had inflicted on them.

Now, Sir, I am sure all these unfortunate disturbances, all this misery and suffering, all these hardships and privations could have been easily averted if a measure of the character of the present Bill had been placed on the Statute-book.

For these reasons I support the motion that the Bill be referred to a Select Committee.

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. Honourable Members have been at some difficulty as to the exact scope of clause 3 of the Bill, and the Chair undertook to give a ruling, if possible, before the question was actually put to the vote. The Chair has now carefully considered the point and it has to give the following ruling.

The point of order that has been raised is, whether clause 3 of the Bill is *ultra vires* of this Legislature. This doubt arose by reason of the facts that it was supposed that the new offence committed by a subject of an Indian State within the territory of an Indian State was sought to be made punishable under the Indian Penal Code. If this is the effect of clause 3, it would certainly be *ultra vires* of this Legislature, for this Legislature has no power to punish offences committed by non-British Indian subjects outside the territory of British India. To decide whether clause 3 is *ultra vires* or *intra vires* from this point of view, reference will have to be made to various sections of the Indian Penal Code. Clause 3 of the Bill seeks to create a new offence, under the Indian Penal Code, the new offence being conspiracy against the administration of any State in India. Beyond creating this new offence, the clause does not widen either the personal or the territorial jurisdiction as defined in the Indian Penal Code. For determining the personal and territorial jurisdiction coming within the jurisdiction of British Indian Courts, reference must be made to sections 2 and 4 of the Indian Penal Code. Section 2 deals with the intra-territorial operation of the Code. It makes the Code universal in its application to all parts of British India. In other words, an offence committed within British India by any person of whatever nationality, rank, caste or creed, becomes punishable under the Code. This territorial

[Mr. President.]

jurisdiction is covered by section 65 of the Government of India Act. Section 4 of the Indian Penal Code provides for extra-territorial offences, that is to say, offences committed outside British India. By virtue of this section 4, an offence committed outside British India by any Indian subject of His Majesty is punishable under the Code. The section also makes punishable an offence committed by any other British subject within the territories of any Indian Prince or Chief in India and offences committed by any servant of the Queen, whether a British subject or not, within the territories of any Indian Prince or Chief in India. All these provisions are *intra vires* of this Legislature by virtue of the provisions of section 65 of the Government of India Act. Since clause 3 of the Bill confines its operation, both personal and territorial, to the above cases provided by the Indian Penal Code, and since those cases are within the competence and jurisdiction of this Legislature, the Chair holds that clause 3 is not *ultra vires* of this Legislature.

The Chair would, however, draw the attention of the House to one other aspect of the matter. In the course of a reply to the questions asked by the Honourable Member, Mr. Mody, and the Chair, the Honourable the Home Member said that it was the intention of the Bill to punish the committing of the new offence only if it was committed within British India. The whole scheme of the Indian Penal Code makes all offences under the Code punishable if they are committed by Indian subjects of His Majesty in any part of the world and not necessarily within the territory of British India alone. Whether the restriction of the new punishment for this new offence will create an anomaly or confusion or any legal difficulty, it is for the legal advisers of the Government of India to decide. It is for the Select Committee and for the Government to examine this position further and to see how this can be rectified. So far as the *intra vires* character of clause 3 is concerned, the Chair has held that this clause is in order.

Sirdar Harbans Singh Brar : This Bill has been brought before the House for the purpose of protecting the Indian States from disaffection and otherwise. This function of protecting the Indian States is primarily the concern of the paramount power and this Legislature as such has no connection with Indian States and their affairs. We, as a British Indian Legislature, can neither ask questions nor pass laws about them. So, the paramount power has in this matter asked us to share the responsibility of paramountcy by protecting the States from aggression from outside, but it has not asked us to share the responsibility in the other matter of protecting the subjects of Indian States also from oppression in those States. If the paramountcy wants British Indian elected representatives to share the burden of responsibility for the protection of Indian States from the Press and otherwise in British India, it must also ask us to share in the other matter. They cannot ask us to share only in the evil and not in the good. We must also be asked to share what little good we can do for the subjects residing in the Indian States. But, no. They say that the Indian States view is that all thine is mine and all mine is, of course, mine and that we will stick to that principle. They say : " You have

nothing to do with the internal affairs of the States. The responsibility of protecting the subjects living in those States must rest with paramountcy for ever." I do not consider that that is a very charitable and generous treatment towards us. We will be blamed by all sides in British India as well as in Indian States that, as the representatives of the subjects and not of the Government, it is our duty to look towards the benefit of the subjects all round and not only to join with the Government when the question of protecting the Indian States is concerned. The Governments of International States have been criticised in other parts of the world and an asylum has been provided to political offenders and agitators in different parts of the world and, if they claim to enjoy international sovereignty and thus be on a par in the international world as international entities, why do they not allow British India that right of asylum which the United States provided for the Irish agitator, which England provided for the Italian agitator and all the European countries have provided for the White Russian against the Red Russian at the present day. Have not the Jews carried on an intensive agitation against the Hitler Government in different parts of the world and, similarly, why not allow the subjects of Indian States to carry on in the press their legitimate grievances. As has been pointed out by Sir Cowasji Jehangir and others, even the mention of the ordinary facts of administration of these States will be covered as an offence by the provisions of this Bill. I do not think the question of the States coming into the Federation justifies this course of action. It cannot be denied that grievances exist in most of the States. There are a good many States which can be honourable exceptions and which have got very good Governments prevailing in their territories, but that cannot be said of all the States. The Home Member has taken up the line that the paramount power could be memorialised by the subjects of the States to redress their grievances through the good offices of the Political Department or otherwise. Am I not entitled to ask the Political Secretary or the Honourable the Home Member in how many cases these memorials were taken notice of and action of a redressing nature taken by the Political Department on memorials alone? Even the mother does not give milk to the child without weeping, nor does the father part with his power during his life time even to his own blood, his sons. So, mere memorials sent by post cannot be said to have any effect on the administration. I mean, the Paramount Power, to take action for the redress of the grievances of the Indian States. I, therefore, think that the provisions of this Bill are rather too wide. They do not allow even the legitimate mention of the ordinary facts of administration in the Indian States as has been mentioned by the previous speakers. Before I proceed further, because I may take a good bit of time, I would like to make a suggestion to the Honourable the Home Member.....

Mr. President (The Honourable Sir Shanmukham Chetty) : How long will the Honourable Member take ?

Sirdar Harbans Singh Brar : I want to make a suggestion about the consideration of Sir Cowasji Jehangir's suggestion. I want you, Sir, to permit me to speak for a minute only and then I will sit down. Before I proceed regarding other matters, I would like to make an appeal regarding Sir Cowasji Jehangir's suggestion to the Home

[Sirdar Harbans Singh Brar.]

Member. If the Home Member finds it difficult to accept the motion for circulation, he may agree to circulate it either by executive order or otherwise. I think it will be far better from the point of view of the Legislature if the Select Committee examines witnesses as we have done in other Select Committees either on behalf of the Chamber of Princes or other bodies and the Select Committee can have the views of the public put before them.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammiadan) : We cannot accept the principle of the Bill and, therefore, cannot agree to its reference to the Select Committee.

Sirdar Harbans Singh Brar : Mr. President, I am not personally against the consideration of the Bill. I certainly want it to be examined. There are good many necessities for proceeding with it, but, in that case, I will take time. I leave it to you, Sir, to allow me to proceed with my speech tomorrow or to continue it today.

Mr. President (The Honourable Sir Shanmukham Chetty) : Government want time to consider the suggestion of Sir Cowasji Jehangir and they said that they would give an answer to it tomorrow. If the Honourable Member, in the light of the answer given by Government, is not still satisfied, he can continue his speech tomorrow.

The request has been made to the Chair that, in view of the state of public business, the Chair should direct that the House should sit tomorrow also. The Chair has accordingly directed that the House will sit tomorrow, but that it shall adjourn tomorrow at quarter past one and will not meet in the afternoon.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 9th September, 1933.

LEGISLATIVE ASSEMBLY.

Saturday, 9th September, 1933.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

MOTION FOR ADJOURNMENT.

EXPULSION ORDER PASSED BY THE COMMISSIONER ON SOME RESIDENTS OF THE PHULRA STATE.

Mr. President (The Honourable Sir Shanmukham Chetty) : Just about five minutes back, I received a notice of a motion for adjournment from the Honourable Member, Maulvi Muhammad Shafee Daoodi, on a matter of urgent public importance, namely, the Government not accepting short notice of a question on a matter of urgent public importance which relates to the expulsion order passed by the Commissioner on some residents of Phulra State within seven days from the date of the order. Is the Political Secretary in a position to state whether Phulra State is an Indian State ?

Mr. B. J. Glancy (Political Secretary) : As far as I understand, it is not an Indian State. It is situated partly in the district of Hazara on the North-West Frontier Province and, partly, I understand, in tribal territory. I am not fully conversant with the situation myself and I, therefore, asked for the usual period of notice in order to enable me to study the position.

Mr. President (The Honourable Sir Shanmukham Chetty) : Under these circumstances, I would permit the Honourable Member, if he still desires, to make this motion on Monday, and I will waive the objection on the question of urgency. It will then be decided whether it is in order or not when the Honourable Member makes a motion on Monday.

Maulvi Muhammad Shafee Daoodi (Tirhut Division : Muhammadan) : All right, Sir.

THE INDIAN STATES (PROTECTION) BILL.

Mr. President (The Honourable Sir Shanmukham Chetty) : Has the Honourable the Home Member got to make any statement with regard to the suggestion made yesterday by Sir Cowasji Jehangir ?

The Honourable Sir Harry Haig (Home Member) : At the end of our proceedings yesterday, my Honourable friend, the Leader of the Independent Party, speaking on behalf of that side of the House, said that he was prepared to accept the amendment for circulation of this Bill by 7th January, 1934, and he appealed to the Government, if they were also prepared to accept it, to announce their decision at once, so that we could

[Sir Harry Haig.]

save time and close the debate. Well, Sir, the object of Government, as I have already explained, is that the House should take a final decision on this Bill not later than the end of the next Budget Session. After going into the details, we have thought that that result can be achieved by the method proposed by my Honourable friend, the Leader of the Independent Party. We have no objection to criticism and to the fullest examination of the provisions of this Bill. (Hear, hear.) We propose that the motion for Select Committee should be taken up after receipt of the opinions at the very beginning of the January Session and I hope we might expect perhaps that Honourable Members who have already made speeches will not at any rate repeat the same remarks on that occasion. (Laughter.) I should be very glad to set an example myself. The Government are, therefore, prepared to accept the amendment for circulation. (Applause.)

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair takes it that, in view of what the Honourable the Home Member has said on behalf of Government, it is the desire of the House generally to close the debate now.

Several Honourable Members : Yes.

Sirdar Harbans Singh Brar (East Punjab : Sikh) : I quite agree that the debate should be closed, but my remarks yesterday had been misunderstood in some quarters and I just want to speak for a minute or two to clear up that misunderstanding. Yesterday I was developing my argument regarding the paramountcy and that the function of protecting a State from external aggression as well as from internal commotion was resting with the Paramount Power and that the Paramount Power was asking us to share the responsibility regarding the protection of the Indian States, in one manner and not in the other. I had not yet completed my arguments, but my remarks have been misunderstood in some quarters as would appear from the reports appearing in this morning's newspapers in Delhi and other places. It has been understood that I was opposing the Princes and their cause. I was simply attacking the Government regarding their desire to ask us to share with them the responsibility of the functions of paramountcy in one direction and not in the other. I meant no reflection on any Indian State, nor on any Prince, nor on their Governments, and much less against my esteemed friend, His Highness the present Chancellor of the Chamber of Princes. I do not desire in any way to lengthen the debate, but I simply wanted to make these remarks to clear the misunderstanding and, I hope, the Press would clear it in the way that I have explained just now. Yesterday I had not developed my argument and, unless I had done so, the Press had no right to conclude that I meant any reflection on anybody and that I was against the Princes.

Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) : Sir, I want to say one word....

Mr. President (The Honourable Sir Shanmukham Chetty) : What is meant by saying one word ? Does the Honourable Member want to make a personal explanation ?

Mr. Lalchand Navalrai : I want to say a word with regard to the statement made by the Home Member about circulation.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair understood that it was the general desire of the House to close the debate, Government having accepted the motion for circulation.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran : Non-Muhammadian) : Cannot an Honourable Member oppose the motion for circulation ?

Mr. President (The Honourable Sir Shanmukham Chetty) : Is it the desire of the House that the debate should be continued ?

Several Honourable Members : No, no.

Mr. Lalchand Navalrai : I am not advancing anything as regards the debate. I am only making a suggestion with regard to the motion for circulation ; if you permit, I will make that suggestion.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is that the question be now put.

(Mr. President, by gathering the voices, declared that the " Ayes " had it, when a division was asked for by Mr. Gaya Prasad Singh.)

(When the division bell was ringing.)

Mr. B. R. Puri (West Punjab : Non-Muhammadian) : On a point of order, may I make a submission ?

Mr. President (The Honourable Sir Shanmukham Chetty) : There cannot be a point of order when the division is on.

The Assembly divided :

AYES—57.

Acott, Mr. A. S. V.
Ahmad Nawaz Khan, Major Nawab.
Allah Baksh Khan Tiwana, Khan Bahadur Malik.
Bajpai, Mr. G. S.
Bhore, The Honourable Sir Joseph.
Chatarji, Mr. J. M.
Chimman Lal, Rai Bahadur Lala.
Clow, Mr. A. G.
Cox, Mr. A. R.
Dalal, Dr. R. D.
DeSouza, Dr. F. X.
Ghose, The Honourable Sir Bepin Behary.
Glancy, Mr. B. J.
Graham, Sir Lancelot.
Haig, The Honourable Sir Harry.
Hezlett, Mr. J.
Hoon, Mr. A.
Hudson, Sir Leslie.
Ismail Ali Khan, Kunwar Hajee.
Ismail Khan, Haji Chaudhury Muhammad.
Jadhav, Mr. B. V.
Jehangir, Sir Cowasji.
Kamaluddin Ahmad, Shams-ul-Ulema Mr.
Lal Chand, Hony. Captain Rao Bahadur Chaudhri.
Lee, Mr. D. J. N.
Mackenzie, Mr. R. T. H.
Millar, Mr. E. S.
Misra, Mr. B. N.

Mitchell, Mr. A.
Mody, Mr. H. P.
Muazzam Sahib Bahadur, Mr. Muhammad.
Mukherjee, Rai Bahadur S. C.
Noyce, The Honourable Sir Frank.
Pandit, Rao Bahadur S. R.
Phookun, Mr. T. R.
Raghubir Singh, Rai Bahadur Kunwar.
Raisman, Mr. A.
Rajah, Rao Bahadur M. C.
Ramakrishna, Mr. V.
Rau, Mr. P. R.
Roy, Rai Bahadur Sukhnaj.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Shafee Daoodi, Maulvi Muhammad.
Sher Muhammad Khan Gakhar, Captain.
Singh, Kumar Gupteshwar Prasad.
Singh, Mr. Pradyumna Prashad.
Sitaramaraju, Mr. B.
Sloan, Mr. T.
Smith, Mr. R.
Sohan Singh, Sirdar.
Studd, Mr. E.
Tottenham, Mr. G. R. F.
Uppi Saheb Bahadur, Mr.
Vazir Muhammad, Khan Bahadur Shaikh Yakub.
Wajibuddin, Khan Bahadur Haji.
Ziauddin Ahmad, Dr.

NOES—9.

Das, Mr. B.
 Hari Raj Swarup, Lala.
 Jog, Mr. S. G.
 Lalchand Navalrai, Mr.
 Neogy, Mr. K. C.

Puri, Mr. B. R.
 Reddi, Mr. T. N. Ramakrishna.
 Singh, Mr. Gaya Prasad.
 Thampan, Mr. K. P.

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That the Bill to protect the Administrations of States in India which are under the suzerainty of His Majesty from activities which tend to subvert, or to excite disaffection towards, or to interfere with such Administrations, be circulated for the purpose of eliciting opinion thereon by the 7th January, 1934.”

The Assembly divided :

AYES—66.

Abdul Matin Chaudhury, Mr.
 Acott, Mr. A. S. V.
 Ahmad Nawaz Khan, Major Nawab.
 Bajpai, Mr. G. S.
 Bhore, The Honourable Sir Joseph.
 Chatarji, Mr. J. M.
 Chimman Lal, Rai Bahadur Lala.
 Chinoy, Mr. Rahimtoola M.
 Clow, Mr. A. G.
 Cox, Mr. A. R.
 Dalal, Dr. R. D.
 Das, Mr. B.
 DeSouza, Dr. F. X.
 Dudhuria, Mr. Nabakumar Sing.
 Ghose, The Honourable Sir Bepin Behary.
 Glancy, Mr. B. J.
 Graham, Sir Lancelot.
 Grantham, Mr. S. G.
 Haig, The Honourable Sir Harry.
 Hezlett, Mr. J.
 Hoon, Mr. A.
 Hudson, Sir Leslie.
 Ismail Ali Khan, Kunwar Hajee.
 Ismail Khan, Haji Chaudhury Muhammad.
 Jadhav, Mr. B. V.
 Jehangir, Sir Cowasji.
 Kamaluddin Ahmad, Shams-ul-Ulema Mr.
 Lahiri Chaudhury, Mr. D. K.
 Lal Chand, Hony. Captain Rao Bahadur Chaudhri.
 Lee, Mr. D. J. N.
 Mackenzie, Mr. R. T. H.
 Millar, Mr. E. S.
 Misra, Mr. B. N.

Mitchell, Mr. A.
 Mitra, Mr. S. C.
 Mody, Mr. H. P.
 Morgan, Mr. G.
 Muazzam Sahib Bahadur, Mr. Muhammad.
 Mukherjee, Rai Bahadur S. C.
 Noyce, The Honourable Sir Frank.
 Pandit, Rao Bahadur S. R.
 Phookun, Mr. T. R.
 Raghbir Singh, Rai Bahadur Kunwar.
 Raisman, Mr. A.
 Rajah, Rao Bahadur M. C.
 Ramakrishna, Mr. V.
 Rastogi, Mr. Badri Lal.
 Rau, Mr. P. R.
 Roy, Rai Bahadur Sukhraj.
 Schuster, The Honourable Sir George.
 Scott, Mr. J. Ramsay.
 Shafee Daoodi, Maulvi Muhammad.
 Sher Muhammad Khan Gakhar, Captain.
 Singh, Kumar Gupteshwar Prasad.
 Singh, Mr. Pradyumna Prasad.
 Sitaramaraju, Mr. B.
 Sloan, Mr. T.
 Smith, Mr. R.
 Sohan Singh, Sirdar.
 Studd, Mr. E.
 Suhrawardy, Sir Abdulla-al-Māmūn.
 Tottenham, Mr. G. R. F.
 Uppi Saheb Bahadur, Mr.
 Vazir Muhammad, Khan Bahadur Shaikh Yakub.
 Wajihuddin, Khan Bahadur Haji.
 Ziauddin Ahmad, Dr.

NOES—7.

Bhuput Sing, Mr.
 Lalchand Navalrai, Mr.
 Neogy, Mr. K. C.
 Puri, Mr. B. R.

Reddi, Mr. T. N. Ramakrishna.
 Singh, Mr. Gaya Prasad.
 Thampan, Mr. K. P.

The motion was adopted.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways) : Sir, I do not propose to move this motion* today.

*“ That this Assembly do signify its opinion in pursuance of sub-section (2) of section 670 of the Merchant Shipping Act, 1894 (57 & 58 Vict. Ch. 60) that the dues imposed by the Order in Council of His Majesty, dated the 17th December, 1931, in respect of the Lighthouses and buoys specified in the Schedule thereto ought to be levied in British India.”

DEMANDS FOR EXCESS GRANTS.

CIVIL.

MINT.

The Honourable Sir George Schuster (Finance Member) : Sir, I beg to move :

“ That an excess grant of Rs. 23,675 be voted by the Assembly to regularise the expenditure chargeable to Revenue actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Mint ’.”

The motion was adopted.

SUPERANNUATION ALLOWANCES AND PENSIONS.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 6,05,127 be voted by the Assembly to regularise the expenditure chargeable to Revenue actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Superannuation Allowances and Pensions ’.”

The motion was adopted.

STATIONERY AND PRINTING.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 85,605 be voted by the Assembly to regularise the expenditure chargeable to Revenue actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Stationery and Printing ’.”

The motion was adopted.

REFUNDS.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 11,89,271 be voted by the Assembly to regularise the expenditure chargeable to Revenue actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Refunds ’.”

The motion was adopted.

COMMUTED VALUE OF PENSIONS.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 3,20,354 be voted by the Assembly to regularise the expenditure chargeable to Capital actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Commuted Value of Pensions ’.”

The motion was adopted.

LOANS AND ADVANCES BEARING INTEREST.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 2,30,88,871 be voted by the Assembly to regularise the expenditure actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Loans and Advances bearing Interest ’.”

The motion was adopted.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 5,37,109 be voted by the Assembly to regularise the expenditure chargeable to Revenue actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Indian Posts and Telegraphs Department ’.”

The motion was adopted.

RAILWAYS.

RAIL-WAY BOARD.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 34,327 be voted by the Assembly to regularise the railway expenditure chargeable to Revenue actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Railway Board ’.”

Dr. Ziauddin Ahmad (United Provinces : Southern Divisions : Muhammadan Rural) : Sir, I just want to ask one question, and that is, whether the money we are going to vote now will be added to the deficits of the current year.

The Honourable Sir George Schuster : I think my Honourable friend must have noticed that we are dealing with the expenditure chargeable to revenue actually incurred in excess of the voted grant in the year 1930-31, and the expenditure has already been incurred and included in the accounts for that year. This is merely regularising what has been spent in excess.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That an excess grant of Rs. 34,327 be voted by the Assembly to regularise the railway expenditure chargeable to Revenue actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Railway Board ’.”

The motion was adopted.

WORKING EXPENSES—ADMINISTRATION.

The Honourable Sir George Schuster : Sir, I beg to move .

“ That an excess grant of Rs. 18,70,248 be voted by the Assembly to regularise the railway expenditure chargeable to Revenue actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Working Expenses—Administration ’.”

The motion was adopted.

APPROPRIATION FROM DEPRECIATION FUND.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 2,39,58,961 be voted by the Assembly to regularise the railway expenditure actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Appropriation from Depreciation Fund ’.”

The motion was adopted.

MISCELLANEOUS.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 14,960 be voted by the Assembly to regularise the railway expenditure chargeable to Revenue actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Miscellaneous ’.”

The motion was adopted.

APPROPRIATION FROM THE RESERVE FUND.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 6,36,160 be voted by the Assembly to regularise the railway expenditure actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Appropriation from the Reserve Fund ’.”

The motion was adopted.

STRATEGIC LINES—WORKING EXPENSES AND MISCELLANEOUS.

The Honourable Sir George Schuster : Sir, I beg to move :

“ That an excess grant of Rs. 1,67,449 be voted by the Assembly to regularise the railway expenditure chargeable to Revenue actually incurred in excess of the voted grant in the year 1930-31 in respect of ‘ Strategic Lines—Working Expenses and Miscellaneous ’.”

The motion was adopted.

DEMAND FOR SUPPLEMENTARY GRANT.

NEW CAPITAL WORKS AT DELHI.

The Honourable Sir George Schuster (Finance Member) : Sir, I beg to move :

“ That a supplementary sum not exceeding Rs. 9,81,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of ‘ New Capital Works at Delhi ’.”

Mr. Jagan Nath Aggarwal (Jullundur Division : Non-Muham-madan) : Sir, this expenditure of Rs. 9,81,000 appears to be part of a very large project the details of which have not been supplied to the House. We got some information the other day in reply to a question that an expenditure of something like a crore of rupees was to be incurred in building quarters for clerks, for the Members of the Legislature and for various other purposes, and that the New Capital project, which had been closed owing to stringency in the year 1930-31, was now going to be revived. Although this expenditure of Rs. 9,81,000 appears to be a fleabite in connection with the expenditure on New Delhi, the point underlying it is a very important one. The point underlying is, is this chapter of capital expenditure in New Delhi going to be re-opened, and for how long ? What is in contemplation ? I ask this more for the sake of seeking information at this stage than of saying anything of my own, because we should like to know more definitely as to the programme to which we are going to be committed by this expenditure of Rs. 9,81,000. It appears that the idea is to provide accommodation for a large body of clerks. If it is part of a scheme that a number of offices are going to be retained in New Delhi and their migration to Simla is going to be stopped, then perhaps many of us may welcome that step. If it is to be in connection with the Federal Legislature, that would be something which we shall have to do, and we might as well be told what is in contemplation, whether it is in view of the fact that the Federal Legislature will be holding its sittings in New Delhi during the summer period or whether it is only to provide accommodation for them in the winter and that they will be holding their Sessions in Simla, or what. In fact, this grant of Rs. 9,81,000 opens up a very large chapter, the details of which have not been furnished to us. I

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would submit that more information on this subject be vouchsafed to us so that we might know what we are going to be committed to by sanctioning this expenditure.

Mr. Lalchand Navalrai (Sind : Non-Muhammadan) : With respect to this item of capital expenditure on new construction at New Delhi, I might say I was on the Standing Finance Committee when this question came up. It was decided by a majority, but it was not decided without a contest. The first point raised by me was this. That this project had been kept in abeyance, and what were the reasons now-a-days, when our budgets are precarious, for reviving it ? I may say for the information of the House that two reasons were put forward. One was that at the time the money market was such that they could borrow money on easy terms, and the second was that labour could be got at cheaper rates. We know that this is the question on the new Constitution. We do not know whether the Federal Legislature is going to sit all the time at Delhi, or what is going to happen when the Federal Assembly is brought into existence. It is premature to say that all this is being done with the intention of providing in advance of the Federal Assembly. Therefore, that point does not support the case of the Government. The next question is the easiness with which money can be got now. Why should it be said that the money conditions will not be better still later ? Therefore, unless there is some ulterior motive in it, which I cannot understand, nothing substantial in the shape of reasons has been put forward before the Standing Finance Committee or in this House and I do not think the House would be justified in sanctioning this project being taken at this time. The second reason given was easy labour conditions. We do not know whether labour expenses are going to increase or going to decrease. These are hypothetical contentions and will not hold good unless there are other reasons which necessitate this expenditure at this time. I may say plainly that they want to build 57 bungalows for officers. Those officers are living now in Delhi and they have their bungalows which they have got on rent. They can wait until the finances prosper.

The Honourable Sir Frank Noyce (Member for Industries and Labour) : May I interrupt the Honourable Member ? I understood him to say 57 bungalows. The number is 37.

Mr. Lalchand Navalrai : I am sorry. It was only a mistake. 37 is correct. With regard to quarters for subordinates, several quarters are proposed to be constructed. But they can also wait, because some of them are accommodated in Government quarters and some in rented houses. These two questions were carried by a majority and I saw that there was no hope of my carrying my point. I thought that it would be much better not to oppose the third item without prejudice but on principle I would say that the whole scheme should wait and should not be taken up in a hurry and without any cogent reasons which have not been disclosed.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammadan) : Sir, I can not be a party to such waste of public money. I would suggest to the Government to wait and not be in a hurry to spend so much amount in these days of depression. It is true that now-a-days they can get money at a cheaper rate, but more important items are before us. You will remember, Sir, that on several occasions when proposals for expenditure were laid before Government, they said that money was not

available. Take Agriculture or Education. If you want to improve these matters, you will find the Finance Member saying that money is not available. Money is not available for agricultural improvement, for education, for the development of industries and for improving communications. There are two alternatives. Either money is available or it is not. If money is not available, what is the use of spending it on these buildings, when there are more important items pending before them for want of funds. If money is available, then I would suggest that it should be spent on more deserving objects. Whatever money is spent by Government, you will find that it is spent on bricks and on quarters. If the question of education comes, you will find that so large a proportion is spent on buildings that very little is left for professors and actual training. If the question of agriculture comes, again the major portion is spent on quarters for officers. I want money to be spent on real improvements and not on bricks. On this principle I oppose the whole idea and would ask Government to wait and see.

We do not know when the Federal Assembly will come into existence, whether it will come after two or three or four or ten years or whether it will come at all. There are so many *ifs* in the White Paper that you can say nothing with certainty about it. If there is no certainty, what is the use of spending so much money? Now, Sir, if you turn to page 31 of the proceedings of the Standing Finance Committee, you find that no mention of the recurring expenditure is made. When so many buildings are going to be constructed, they will certainly require a large amount of money for recurring expenditure, for maintaining those buildings. I find it is put down as *nil*. Turning to part (b), I thought I would get there some information as to what amount Government consider they will get back on account of rent, but I find only a two line remark to this effect "Recoveries of rent from the officers, clerks and legislators in respect of the residential accommodation which will be allotted to them". This is a very plain thing. Every one knows that when you spend something on buildings, you will get something in the shape of rent. I want to know from the Finance Member what amount they expect to get from these bungalows. There is absolutely no mention of that in the proceedings of the Standing Finance Committee. Unless we know something about what the return will be on these buildings, we cannot sanction this amount.

Further, I find that the type of quarters provided for the legislators, the representatives of the people, is of an inferior one to that of officers. It is very evident from this fact that they have provided Rs. 10 lakhs and 50 thousands for 37 bungalows and only five lakhs for 33 legislators' quarters. The numbers 37 and 33 are almost the same, but the sum to be spent is less than half.

The Honourable Sir Frank Noyce : May I ask the Honourable Member two questions? One is—what about the families of officers? The other is—would legislators be willing to pay the same rent for their quarters that the officers pay for theirs?

Mr. M. Maswood Ahmad : I think legislators will not object to pay ten per cent. which is realised from the officers. We are prepared to pay you Rs. 60.

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : May I ask the Honourable Member whether he meant to insinuate that non-official legislators should have no families?

Mr. M. Maswood Ahmad : I find officers getting Rs. 200 or Rs. 300 get much bigger and better quarters and only ten per cent. is taken from their pay. In this way, I think, Government are losing money.

You will also find that the opinion of the Committee was this :

“ The Committee approved the proposal, but with regard to officers' and clerks' quarters, Mr. Jadhav, Diwan Lalchand Navalrai and Sirdar Harbans Singh Brar dissented on the ground that sufficient information had not been provided regarding the possibility of accommodating Government servants in private bungalows.”

So I say that full information has not been provided to us. With these words, I suggest that Government should wait.

The Honourable Sir George Schuster : I rise to intervene at this stage in order to deal with the main point which has been raised—the justification of this expenditure. I am very glad to have an opportunity of defending this particular proposal and I must confess, to a very great astonishment, that Honourable Members opposite should have found any reason for objecting to it at all. I would defend it on two grounds, both general grounds and particular grounds. As regards the general ground, I think Honourable Members opposite have not been backward in urging on the Government that they should take some steps to relieve the present economic depression and one of the courses which has been at all times urged on the Government is that they should undertake public expenditure on public works which would give employment. Now, Sir, one of the great difficulties in carrying out proposals of that kind is to find opportunities for expenditure which are justifiable and remunerative. Honourable Members know that we have been studying the matter in connection with the Railways and that if we can find remunerative occupations for capital we think that the time has come when the restrictions on capital expenditure which have had to be imposed during the last three years should be relaxed. We have also been studying opportunities in other directions, such as undertaking a programme of building construction of this kind where the buildings are urgently needed and where some commercial return can be obtained from them. This is a very excellent example of the sort of public works that can be undertaken and which can have some small effect on relieving the present economic depression. I am told that the state of unemployment in Delhi is particularly bad.

12 Noon.

There is a large population which has accumulated from the days when big contracts were being given out. That population cannot be hastily dispersed over the rest of India and our information is that the distress among the population of that kind in Delhi has been particularly bad. Now, Sir, this is only a small move, but at least it is doing something to relieve that very great distress. On that general ground I think that a programme of this kind deserves support from all quarters of this House.

I should like to tell the House something of the history of this project. When I came out to India as Finance Member I was met by a very urgent demand for further expenditure on housing accommodation in Delhi. It was found that the original programme was by no means sufficient and that there was a definite urgent need for expenditure on housing accommodation amounting to well over a crore, even after cutting down the departmental demands to the very minimum that we could do. Unfortunately, at that time I foresaw that Government's credit was going to be very severely taxed and that in the next few years it was absolutely necessary to put a check on capital expenditure of all kinds. We had to get the situation in hand. We

have now succeeded in getting the situation in hand and the House will remember the very moderate demands for capital expenditure which I brought forward in the Budget of this year. We have, in fact, got our credit on to a very high level and we have practically reduced the demands which we make on the public for new loans to loans which are required for redeeming existing loans. Now, Sir, having reached that position, on broad financial grounds we feel that we are in a position to undertake capital expenditure again and we have been looking about for projects, as I have already said, with the idea that we can by starting schemes of this kind produce some small effect to relieve unemployment. That being so, it obviously became a reasonable thing for us to reconsider re-opening this Delhi capital project and make good the arrears of housing accommodation which we had put aside for over three years. Then on top of that came an additional reason. We had to contemplate the need for considerable additional accommodation at Delhi when the new Constitution came into being. Now, I do not agree with my Honourable friend, Mr. Maswood Ahmad, in saying that that is such a distant prospect that we need not take it into account at all. We must take these things into account, and we must undertake the construction of buildings particularly at a time when we can take advantage of bottom prices—bottom prices as regards the cost of building and bottom prices as regards the cost of raising the capital which is necessary. I am sure that the inhabitants of New Delhi in the future, say, three or four years hence, would have very good cause to criticise us most severely if we had not taken this opportunity of making a change in our policy. Then, Sir, turning to other particular grounds—and I have already dealt with this point incidentally—there is definitely a most urgent need for housing many Government officials, particularly among the clerks. I am told that the overcrowding at present has reached a very undesirable stage and provided that money is available, we certainly ought to meet a need of that kind. My Honourable friend, Mr. Maswood Ahmad, has raised the question as to whether we shall get any return from this expenditure at all. It is very difficult to make exact calculations because it is impossible to estimate exactly how many of these houses will be occupied for the full year. A large proportion of the Delhi houses is, of course, occupied for the full year, but it is difficult to say as regards a particular house whether it will be occupied for six months or 12 months. But on the basis of the rents now charged and the building costs which we now estimate, if a house is occupied for a full year we can look for a return of up to 5 per cent. If the house is occupied only for half the year, probably we can only get 2½ per cent. return. The annual return, therefore, will be something between 2½ per cent. and 5 per cent., and as we now can raise money at something like 4 per cent. or under, I think the House will recognise that a loss involved in construction of these houses is not a great one. Moreover, it is bound to be a diminishing loss because, as things advance, one is bound to see greater use, say, for 12 months in the year, of houses in Delhi.

Honourable Members have raised the question of the Simla exodus. Well, Sir, we are not ready to make any definite statement about that, but I can tell my Honourable friends that Government are seriously reconsidering that position in the light of two factors. The first is that the shortage of water, which was one of the chief reasons for not enlarging the summer population in Delhi, will shortly be overcome. The other reason is that we must look forward to conditions which will prevail in the future. When there is a Federal Assembly, I think Honourable Members will re-

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cognise that anything in the nature of a Simla Session will probably be impossible.

Mr. M. Maswood Ahmad : What will be recurring expenditure every year on these cases ?

The Honourable Sir George Schuster : I do not think I need be interrupted in order to answer my Honourable friend's question, for I do not think it is particularly relevant to the main line of my argument. I was making the point, Sir, that if we look forward to the future, we must foresee an inevitable change in the nature of the all-year-round population in New Delhi. Therefore, my point is that this expenditure is likely to become increasingly remunerative. Sir, on these grounds I hope that the House will pass this small supplementary estimate which, as I said at the outset, I feel really represents a policy which deserves support from every quarter of the House.

Dr. Ziauddin Ahmad (United Provinces : Southern Divisions : Muhammadan Rural) : Sir, I welcome the announcement of the Finance Member that he has succeeded in establishing the credit of the country and that he is now in a position to embark on the scheme of new capital expenditure. Those of us who have studied the world conditions in economic matters will realise that it has not been a joke to maintain the credit of a country during the last three years and it will not be a joke to maintain the credit of the country during the next few years. Every country is really in a very difficult position and, comparing our country with other countries, I am glad to say—and I congratulate the Honourable the Finance Member—that we are much better off than many other countries in the world. But before he embarks on the scheme of capital expenditure, which I would welcome very much, I would like to ask whether his scheme of retrenchment which began about two years ago will now end. A large number of persons have been thrown out of employment. These persons were drawing very low salaries and they were in a miserable condition. Before we embark on any scheme of capital expenditure to relieve unemployment, we should have some kind of official statement from the Honourable the Finance Member that the future retrenchment in the various branches of the Government departments will now cease. It may be possible to have more economic administration in some branches, but economic administration is very different from the retrenchment of the hands in order to save money. Therefore, I would like the Finance Member to reconsider this particular question and give a statement on the floor of the House that all the retrenchment schemes, which we had been having during the last two years, will now come to an end.

Mr. B. Das (Orissa Division : Non-Muhammadan) : Sir, coming as I do from one of the most distressed areas, the province of Orissa, that is so much flood-stricken now, I was very much touched to hear the speech of the Honourable the Finance Member. For the first time the Finance Member feels for economic distress of the people or those on the unemployed list. He said that he had increased the credit of the Government of India though some of us, on this side of the House, do not believe it in view of the fact that the Government of India and the Punjab Government floated their recent loans at heavy discount. Yet he says that the tide has turned and the Government now turn their mind to revive the new capital project of Delhi in order to give better

houses for their clerks and officers and also to improve the conditions of the distressed people in Delhi who have gathered there for a large number of years to eke out their livelihood through the building projects of the Government. But, if I could believe the pledges which the Honourable the Finance Member gave to this House and if Government are in a position of solvency, then their first duty would have been to reduce taxation. But they have not done so. Instead of doing that, they incur fresh capital expenditure and, according to the estimate of the Honourable the Finance Member himself, the project will not bring more than four per cent. to the exchequer while the Honourable Member will borrow at a higher rate of interest. When the economic distress set in, the Government of India were very solicitous about their officials and revised the house rents that were paid by the front-benchers and by the back-benchers of the Government of India. What happened? Just on the eve of the economic depression, every official on the front-benches has been paying 50 per cent. less than what he used to pay before. I know even the Members of the Legislature, at whom I do not know why the Honourable Sir Frank Noyce had a joke a few minutes ago, even they are paying less than what they used to pay three or four years ago. We do not know why the Government are so solicitous for those who can pay and yet they bring out deficit budgets every year and increase the burden of taxation on the people. I cannot subscribe to any new capital expenditure until the pledge which the Honourable the Finance Member gave to this House is redeemed. Before any capital expenditure is incurred, I want there should be reduction of taxation. The income-tax level which was reduced to Rs. 1,000 should be raised to the level of Rs. 2,000 and the surcharges on income-tax should be taken off. As long as that is not done, we, on this side of the House, cannot support any extravagant expenditure on the part of the Government of India.

Two years ago, when the Gandhi-Irwin Pact was under discussion and when Mahatma Gandhi visited Delhi, he went to the residence of my Honourable friend, Sir George Schuster, and also to the residence of Mr. (now His Excellency Sir Herbert) Emerson and, after visiting them, Mahatma Gandhi said that in the Swaraj Government he would not like to tolerate officials having residences extending to three acres of land with extensive gardens, while poor people were still living in congested areas like Delhi, Bombay and other places. But I believe that the officials, who are now adorning the front and back benches, know that what the Congress was demanding or what Mahatma Gandhi was demanding will not materialise. There will be no Government in the nationalist fashion or in the Congress fashion. Now the Government of India can enter again on their policy of extravagance in house building for their officers while it is well known even to the Honourable the Finance Member that in New Delhi many private buildings have been built. There are several fat contractors who got themselves enriched through the New Delhi project. I do not want to repeat, seven or eight years afterwards, the scandals of the New Delhi project and the mismanagement of the huge funds and how a capital project of four crores ultimately became sixteen crores. I do not want to allude to the stone-yard scandal and other scandals, I do not want to refer to Commissions, non-official and official that sat for days. Yet there are today in Delhi many contractors who can build private houses. I ask the Government, why do they not subsidise private contractors to build private houses? There are still many

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private houses empty in the winter season in New Delhi. Apart from that, I understood that the Government of India practised retrenchment and reduced their staff of clerks and officers. Where is this sudden demand in the number of quarters for the officers and clerks, for whom, I am glad to see, that the Honourable the Finance Member is so solicitous? Where did this sudden demand arise? If there is a demand, that demand can be postponed until the Honourable the Finance Member introduces his Budget next Session, until he reduces taxation, until he shows that there is real solvency in the country and also of the Government.

I am alarmed to learn that my Honourable friend is already dreaming of having new capital expenditure in the railways. He knows it that the railways have not paid him his share of six crores of rupees for the last two years. Let the railways pay first six crores to the General Revenue with all the arrears and then the Honourable the Finance Member can accord sanction to the Financial Commissioner, Mr. Rau, to incur further capital expenditure on railways. Of course I have seen a pamphlet (Report of the Statutory Railway Authority Committee) circulated showing that the future Legislature, whether it is the present Legislature or the Federal Legislature, will not be asked to scrutinise the expenditure on railways. In future, the Legislature will only be asked to meet the deficit on railways. I hope my Honourable friend, the Finance Member, has read that document and, knowing the extreme deficit condition of the railways, he still foreshadows that there will be further capital expenditure on railways. I look with alarm and the country would look with alarm at the suggestions which the Honourable the Finance Member has put forward. I will be the first man to congratulate him if he will show in his budget speech on the 28th February next that Government have turned the tide and that Government have brought out a surplus Budget and that Government have reduced these emergency taxes for which the Honourable the Finance Member took power in September, 1931, on the fair promises which he gave then. He did not even acknowledge on a subsequent occasion that he gave any promises to the House and to the country at that time. Until then, I do hope, this House will not accede to any idea of capital expenditure or to any increase in the deficit of the Government either in the General Budget or in the Railway Budget.

Mr. B. V. Jadhav (Bombay Central Division : Non-Muhammadian Rural) : Sir, the present demand is only for Rs. 9,81,000. But as my Honourable friend, Mr. Aggarwal, has said, this opens a very great problem on which a larger amount of nearly 50 lakhs will be spent. Sir, the present demand is for housing some of the clerks and officers, and when the Standing Finance Committee asked for more information, the reply was that the information required was not available. I now find that the information has been denied even to this House. We have seen, Sir, that each bungalow for officers costs Rs. 31,000 and the return, that is got from them, even if they are occupied for all the 12 months, is hardly 4 per cent. The Honourable the Finance Member said that it was 4 per cent., but I find that, as only 10 per cent. is taken from the officers, the calculated interest will not amount to even 4 per cent. Information on this point was asked in the Standing Finance Committee, but it was not forthcoming; and, in spite of our objections and protests that the consideration of this demand should be postponed till the

second meeting of the Finance Committee, the whole thing was hurried on. I do not think there is any justification for this. The housing in New Delhi may be insufficient, but at the same time I may point out that private owners have been investing their money and erecting houses suitable for the officers and the staff. Information was asked about the number of private houses that were available for accommodating officers. That information also was not available at the time the Finance Committee met, and it has not been made available even now. In such circumstances, it will not be proper for this House to give its consent to this heavy expenditure which does not stop at Rs. 9,81,000, but will be multiplied in the long run many times over. The town of New Delhi is increasing and the number of private houses that are being built is also on the increase. Government do not want to take any notice of this fact and do not take into consideration the number of private houses that will be available specially for the officers and the clerks, and they want to rush this House into sanctioning this scheme which will entail on the finances of Government a very large amount in future. Sir, I hope this House will reject this demand.

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadan Rural) : Sir, there is a saying that he who builds a New Delhi digs his own grave, and this saying is based upon history. We have read of the seven cities of Delhi wherein lie the graves of the founders of those cities. Sir, when the capital was transferred from Calcutta, it was a great Viceroy, who had imagination, who said that Delhi was a city of forgotten kings and dynasties and that the Capital ought not to be removed from Calcutta to Delhi. With Calcutta the history of the rise of the British power is associated and I could not understand how many patriotic Englishmen could agree to such an outrageous proposal of severance from past associations and sacred memories of their great work in this land.

Sir, at the beginning we were given to understand that about 12 crores would be needed for building the new Capital at Delhi. Immediately land grabbers came in and around Delhi, but the Government outdid them. They built New Delhi on the ruins of Old Delhi. Those who had occasion to drive to the Kutb Minar in those days from the old city of Delhi might have noticed that the area consisted of one or two hamlets with a little arable land here and there and that it was full of jungles and graveyards. It may be said that that land has now been rendered into a paradise. I do not know whether it is a paradise or not, but we know that we bled the Indian tax-payer to build the New Capital while there was already a Capital with all necessary paraphernalia in Calcutta. Whatever might have been the motive behind the transfer of Capital, I submit that to spend such huge sums upon building a new city in a country where old and ancient cities with sacred memories behind them abound is a thing which no Government should have undertaken. Sir, from 12 crores gradually several more were being added year after year and we thought we had nearly come to the end, but we see that there is to be no end of capital expenditure upon this New Delhi. One piece of advice that I shall give to the Honourable Member in charge of this motion is that he should advise the Government of which he forms a part to go back to Calcutta. (Laughter.) Sir, I see the Government Members are laughing. Of course Delhi is a very safe haven for them for there is little public life and little criticism of their actions. But I

[Mr. Amar Nath Dutt.]

tell you, Sir, and tell them through you that a time will come when Delhi like Calcutta will have a forceful public opinion and probably they will have to shift themselves to some desert area near by or to Sind. But Calcutta enjoyed the benefit of being the Capital City of the country only for a century or so, and, to deprive her of that position, was not at all proper. I would not have grudged any money to the Government, but my point is that if, at this time, as is said, money is cheap owing to the low rate of interest, I would advise them to try and relieve the distress of the agriculturists with this money. Why not remit some revenue so that the landholders may remit the rent of their tenants? These are things which we have always pressed upon Government and I think it will be better if, instead of spending nine lakhs on the building of a few houses for clerks and for the legislatures, they were left to find out their own accommodation in New Delhi where many houses are available as also in Old Delhi where I think there is plenty of accommodation.

Sir, if you remember the days when the Capital was at Calcutta, neither the clerks nor high officers had quarters built for them there : but they could easily find accommodation for themselves in that City of Palaces. What was the necessity then of removing the Capital to Delhi? To say that these clerks and officers have to be provided with accommodation is rather amazing, as they form an infinitesimally small proportion of the people for whom nobody cares to provide accommodation. They have either to build their own houses or to hire houses for themselves. Then, why this solicitude for a class of people who live at the expense of the tax-payers and provide them with accommodation at the cost of the tax-payer? I am opposed to any such grant on principle, and, as I have pointed out in this House, the initial mistake was the transfer of the Capital from Calcutta to Delhi. Again, to say at first that only 12 crores would be required and, then, by leaps and bounds, to add several more crores, is wrong : I submit we must be told when this sort of expenditure will come to an end. But I think it will not come to an end so long as the poor Indian tax-payers can be robbed of their hard-earned money. If the Capital at Delhi could continue from the year 1912 till now, for nearly a quarter of a century, without this accommodation, I cannot understand why suddenly, in this year of grace, 1933, there should be a necessity for expenditure of this amount. We must be given to know how these clerks and officers accommodated themselves previously, and what was their difficulty. There are lots of bungalows in the Civil Lines and there are lots of houses in the old City of Delhi and, if a simple bus service is instituted.....

An Honourable Member : Those houses are unfit for habitation.

Mr. Amar Nath Dutt : But the predecessors of the present Executive Council Members and others lived in the houses in the Civil Lines and all of them were accommodated there. It was only a few years ago that these houses in New Delhi were built for them. I do not think they were inconvenienced in any way. At least there was one Honourable Member who can bear me out—I mean the Honourable the Commerce Member, who was at that time also in the Government of India, and he will bear me out that the Executive Councillors did not find themselves in any difficulty whatsoever by living in those bungalows.....

The Honourable Sir Joseph Bhore (Member for Commerce and Railways) : I was not an Executive Councillor in those days, and, therefore, I cannot speak from personal experience.

Mr. Amar Nath Dutt : At least you have knowledge of those days and you were living in a house there. However, whatever that may be, I have laid down the principle of my objection to this ; and unless I am convinced that this New Delhi has been built for the interests of the people or of the Empire, I for one cannot subscribe to any further capital outlay, and I would like, if there are purchasers for all these buildings in New Delhi, to have all of them sold up and the Capital transferred once again to Calcutta.

Mr. Muhammad Muazzam Sahib Bahadur (North Madras : Muhammadan) : Sir, whether the Government of India were right or whether they were wrong in shifting the Capital from Calcutta to Delhi, the step has once for all been taken and now, having taken that step, they stand committed to provide facilities in that part of Delhi known as New Delhi, which was practically waste land when the Government shifted their headquarters from Calcutta to that City. Having come there, I ask, is it not the duty of the Government of India to provide these officials and to provide us, who come from distant places, with quarters, with housing accommodation ? I wish my Honourable friend, Mr. Amar Nath Dutt, had been an officer of the Government of India : then I think he would have pressed the case for housing accommodation as a pressing necessity. I, therefore, say that the main question for consideration is whether this is really a pressing necessity ; and whether it is justified in the circumstances which the Honourable the Finance Member characterised as being the most opportune conditions in which such a scheme like this could be taken up. If the statement of the Honourable the Finance Member cannot be controverted on the point that the present is the best season as it were at which money could be raised, and when it is borne in mind that owing to cheap labour and cheap material at the present day there will be a saving of as much as 25 per cent. if this scheme is taken up at once, and that, if it is taken up three or four years hence, we shall be losing that 25 per cent. which we are saving now, then I think we are perfectly justified in spending this amount and in charging it to capital expenditure. No doubt, three years ago, it was decided that whatever expenditure might be incurred in constructing buildings in New Delhi ought not to be charged to the head of capital but to revenue. That step was taken at that time probably as the Government were not quite sure of their own financial position ; but as I find that the Honourable the Finance Member has assured us that the position, as it now exists, is far better and they can control the financial position at the present moment, I think the step which is now sought to be taken is a justifiable one. Something has been said as to the special necessity which has arisen on account of the Federation which is to come into being. Quite apart from that aspect of it, I think that, so far as the present extension of house accommodation for officers and clerks of the Government of India and for Members of the Legislature is concerned, the House will be doing the right thing in voting for the grant.

Sirdar Harbans Singh Brar (East Punjab : Sikh) : Mr. President, I had opposed this grant in the Standing Finance Committee on the ground that enough material was not placed before us regarding the availability of private accommodation for officers. I had not at that time considered the other points which touch this particular item. There is no doubt that

[Sirdar Harbans Singh Brar.]

the information supplied to the Standing Finance Committee was insufficient and misleading to some extent. In the item, say, for Officers' Bungalows which are 37 in number, Rs. 10 lakhs and 50,000 are provided for. No account has been taken of the valuation of the site which is to be used for building these bungalows, and, therefore, taking the average sale price of each of these sites at Rs. 10,000, it comes to Rs. 3 lakhs 70 thousand, thus making a total of about 14 lakhs 20 thousand for 37 bungalows. No figures have been given regarding the return which we will get on this capital expenditure nor on the capital expenditure for other buildings. There is some difficulty for the taxpayer to know what the return is exactly going to be, but the other considerations cannot be ignored altogether. If the Government have decided, as a matter of policy, to provide bungalows for the officers, they cannot provide for some officers and leave the 37 officers without any housing accommodation. In New Delhi, we have provided accommodation for almost all officers who are stationed there, and to leave 37 officers alone without any accommodation out of so many thousands of officers is rather unfair to the members of the services. You cannot discriminate between officers, and you must treat them alike.

There is another very important factor which must be taken into consideration, which was stressed by the Honourable the Finance Member, and that is, that unemployment is very much on the increase. There are so many engineers remaining unemployed with foreign training, there are so many youngmen remaining unemployed, so many M.Sc.'s and B.Sc.'s remaining unemployed, because recruitment to the P. W. D. and other departments has been stopped, and I think it is high time that we must provide these youngmen with some occupation to maintain themselves

Mr. Amar Nath Dutt : Bara Khamba Road is full of buildings.

Sirdar Harbans Singh Brar : My friend must have seen as much of it as I have seen. Those are the bungalows which cannot be suitable for ordinary officers of Government. Those are meant for Princes, and, in the earlier days, when accommodation was not available, these Princes rented these bungalows at fabulous sums ranging from Rs. 10,000 to Rs. 50,000 for a week's occupation, and people, under the impression that they will be able to get the same fabulous sums, built more of these palatial buildings, and an officer, with a small family, will not be able to maintain such a big house, nor will he be able to pay such a heavy rent for those bungalows. Even if that fact is not taken into consideration, during our Delhi sojourn we seldom find any of these houses lying vacant. Almost every one of them is occupied. There are no figures placed before us by Honourable Members to show how many houses are actually available at reasonable rates for the occupation of officers during their stay in Delhi....

Mr. Amar Nath Dutt : If the Government want the figures, I can supply them.

Sirdar Harbans Singh Brar : As far as the clerks' quarters are concerned, the rules provide that they shall be given a certain allowance in lieu of accommodation. These house allowances are prohibitive and Government have to pay, I think, a couple of lakhs or more to the clerks as house allowance, which is again a burden on the taxpayer.

Sir, this building programme of Government will provide occupation for labour, skilled as well as unskilled, and it will also provide accommoda-

tion for the officers of Government. If the Federation materialises, as we all hope it will in the not distant future, housing accommodation, office accommodation and officers' bungalows, legislators' quarters, etc., will be needed. It will then naturally take sometime to build all those things, with the result that it will put the legislators as well as the officers of Government into much inconvenience if this building programme is not undertaken immediately. I, therefore, think that this expenditure will do a lot of good to the country as a whole, because it will be a capital programme which will afford enough employment for labour. These are my grounds for supporting this motion, though I had in the Standing Finance Committee opposed it believing that there was sufficient housing accommodation.

Mr. Amar Nath Dutt : You changed so soon ?

Sirdar Harbans Singh Brar : I have a right to reconsider and review my opinions in the light of subsequent events and in the light of subsequent information which has come to my knowledge. There are no private works going on now in New Delhi to keep the unemployed busy, and it is the business of the Government,—Government have done so in all countries—during the period of depression that they should start public works for the employment of labour. In addition to this, I think we should also press on the Government that they should start capital railway works and other public works. Why should we allow our youngmen to remain idle in their homes and to engage themselves in revolutionary activities ? If they are not given some work to do, the result will be that they will join the revolutionary ranks and take to manufacture of bombs and other things....

Mr. Amar Nath Dutt : Then you should spend more money in Bengal.

Sirdar Harbans Singh Brar : When Honourable Members come to Delhi and when they do not get sufficient orthodox quarters, they complain, and when the Government ask for more money for building quarters, they stand and oppose the demand. Only a short time ago, we were discussing the housing problem, and almost all the Members of the House Committee were stressing the need for more orthodox quarters, and here Government are now going to give us 33 more quarters. What we stress on the Government is that as much economy as possible should be practised in this building programme, and, as I understand, the rates for building materials are very low just at present, and the time is certainly very opportune, because the tenders are about 30 per cent. below the estimated price. We cannot find a better time to start this programme. In the Standing Finance Committee the Chief Engineer to the Government of India was pleased to tell us that he had, in anticipation, invited tenders which showed that work could be done 30 per cent. below the estimated cost. That is to the benefit of the taxpayer, and I think that Government have chosen a very opportune time to start this building programme now. With these few words, I support the supplementary grant.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : The Honourable the Finance Member has already made two speeches on this motion, but still I think he has not convinced the House by giving accurate information relating to these demands. The three of the most important members of the Standing Finance Committee, Messrs. Jadhav, Lalchand Navalrai and Harbans Singh, dissented on the

[Mr. S. C. Mitra.]

ground that sufficient information had not been given to the Committee, and that they had to record a dissentient note....

The Honourable Sir George Schuster : I cannot accept my Honourable friend's description of those three members as the most important members on the Standing Finance Committee as correct. All members of the Standing Finance Committee are equally important.

Mr. S. C. Mitra : I never said that they were more important than other members, but I take it that all members are important, but, to justify my statement, I might say that they are all elected Members, and if you will look at the list of members, you will see that more than half the number of members are nominated, and Government can now secure half the number of members by election to any of these Standing Committees. My purpose was to emphasise the fact that the dissentient note was from the elected Members, and not from nominated Members.

However, the anxiety of the Honourable the Finance Member was for the unemployed of this country. I congratulate him for the great anxiety he has shown for the unemployed of this country, because he has been unlike his other colleagues who, however, when the question of unemployment is raised in this House, try to dissociate themselves by pointing out that this question of unemployment is a matter for the Provincial Councils.

The Honourable Sir Frank Noyce : I must protest against the assertion of my Honourable friend. As Member in charge of the Industries and Labour Department, I can naturally closely associate myself with the proposals now under consideration before the House.

Mr. S. C. Mitra : May I ask my Honourable friend whether he did or did not, in reply to a question in this House, say that unemployment was primarily a matter for the Local Governments ?

The Honourable Sir Frank Noyce : That is perfectly true. We can only take steps in regard to it in our centrally administered areas and this project is one of the steps which we ourselves are prepared to take.

Mr. S. C. Mitra : May I hope that in the next year's Budget the Finance Member will provide for large estimates on this scale for the other big cities also, Rs. 50 lakhs each, as he has done for Delhi, and I shall be very glad to welcome such a Budget.

What the Standing Finance Committee wanted to know was whether this project could stand on its own legs from economic standpoint. Where is the difficulty in giving these figures ? They know that, at least for the buildings that are meant for the clerks and officers, they can get rent at the rate of 10 per cent. They know the class of clerks or the officials that will occupy these houses, and they can easily calculate the rent that will be realisable from them. They certainly owe it to this House to tell us that Government will cut their coat according to their cloth. In the past the Government had been reckless in their construction programmes not to care for the public interest. It is not Government's case that these officers and clerks should be given some concession and provided with houses at lower rates of rent. That is not the Government's case. From past experience we know that the expenditure that has been incurred for providing houses for officers and clerks involved a great loss. When they are now coming with plans for new building construction, is it not their

duty to calculate what is the amount of rent realisable from the officials and clerks? And it is not difficult to find out the exact results. From that we can see whether the project is economically a sound one. When this matter was raised in the Standing Finance Committee, the Finance Member was not in a position to tell them whether the expenditure of so many lakhs and lakhs of rupees was economically sound or proper. We are not opposed to the policy of building quarters for the officers or for the clerks or for the Members of the Legislature, particularly when the rate of interest is low. We accept the policy, but this House must get correct figures when a question had been asked in the Standing Finance Committee, and now the Finance Member, without supplying us with relevant figures, wants us to vote a blank cheque. It is difficult for us to vote on a question like this; otherwise, on principle, we are agreeable to this motion.

Mr. R. S. Sarma (Nominated Non-Official) : I should not have been a party to any conspiracy to wasting the time of the House, but I am desired by my Party to inform....

Mr. D. K. Lahiri Chaudhury (Bengal : Landholders) : On a point of order, Sir. How can the Honourable Member say we are wasting the time of this House?

Mr. R. S. Sarma : If any conspiracy really existed, it applies, otherwise....

Mr. D. K. Lahiri Chaudhury : Not conspiracy, but you said wasting the time of the House.

Mr. R. S. Sarma : Yes. I have been asked by my Party to say that we are in favour of this demand for grant, if for no other reason than this, that it will provide employment in these hard days for a large number of labourers and it is most essential that those people who had even been asked to quit Delhi should now find re-employment under this new scheme of building construction. At the same time, our Party wants to impress upon the Finance Member two things, namely, one, that the grant should not exceed what is now provided and, secondly, that as far as possible all these contracts are given to Indians.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran : Non-Muhammadan) : Sir, I find some difficulty in understanding the position of some members of the Standing Finance Committee and also of the Government in this matter. One particular member of the Standing Finance Committee, who has spoken in support of the grant today, dissented from the proposal in the Standing Finance Committee's meeting held on the 19th August. That is what the proceedings of the Standing Finance Committee of that date contain :

“The Committee approved the proposal, but with regard to officers' and clerks' quarters, Mr. Jadhav, Dewan Lalchand Navalrai and Sardar Harbans Singh Brar dissented on the ground that sufficient information had not been provided regarding the possibility of accommodating Government servants in private bungalows. Dewan Lalchand Navalrai also considered that the matter was not sufficiently urgent to justify expenditure at the present time. With regard to the Legislators' quarters, Mr. Jadhav dissented. Sardar Harbans Singh Brar and Dewan Lalchand Navalrai did not wish to press their objection to this part of the proposal as the rest of the scheme had been accepted by a majority of the Committee.”

My Honourable friend, Sirdar Harbans Singh Brar, seems to have changed his position, and has now supported this motion on the floor of the House. I said at the outset of my speech that I was also not convinced

[Mr. Gaya Prasad Singh.]

as to the proper position of the Government in this matter of New Delhi expenditure. They must once for all make up their mind whether it is their intention to abandon the Simla exodus, and to make Delhi the permanent Capital of India, or their intention is to continue the Simla exodus as merrily as before and to go on sinking crores and crores of rupees amidst the tumbling graveyards of Delhi. I find from the proposal which was put forward before the Standing Finance Committee :

“ The Government of India had recently to reconsider the question of re-opening the project estimate in connection with the serious shortage, in New Delhi, of residential accommodation for officers and clerks of all Departments which will, it is anticipated, be greatly aggravated on the introduction of the new constitution.”

This House, as representative of the people of this country and as the custodian of public revenues, has a right to know from the Government once for all what is their intention with regard to the question of transferring offices from Simla to Delhi and *vice versa*. If, as I have stated, the Government want to shirk this question and not to arrive at a proper decision, this House will be justified in refusing any further grant for the extension of residential quarters in New Delhi. With regard to that point, questions have been asked in this House. I myself was responsible for asking a question, perhaps some other Members also were responsible for asking questions on the subject. But, as usual, the Government tried to evade the real issue and gave answers which were not at all satisfactory from the public point of view. If they make up their mind to abandon the Simla exodus, the question will arise as to the fate of the immense house property which will be left in Simla. Now, Sir, opinion has been expressed in

1 P.M.

many quarters, and I think my Honourable friend, the Finance Member, has himself stated it this morning on the floor of the House that with the advent of the Federal Legislature, the holding of the Simla Session will have to be abandoned. I do not pronounce any definite opinion on this project just now, but I have a right to ask as to what will be the condition with regard to the transfer of offices and the pleasure trip of the high officials on the hill top. Does this mean that the highest officials in the land will continue to have their annual pleasure trips at the expense of the taxpayers, but only the Members of the Federal Legislature will be deprived of the opportunity of coming up to Simla. That, Sir, is a point which must be carefully looked into. I really object that the rate payers' money should be squandered in lakhs and lakhs every year for the pleasure of a few individuals who might choose to come up to Simla with their offices and clerks and their other establishments, while, we, the representatives of the people from whose pockets the revenue comes should alone be sweltering in the plains of Delhi. It is, therefore, necessary that Government should unfold their plans definitely, and should not keep anything up their sleeves. We should like to know really what is their intention. Are they going to come up to Simla, leaving us to our fate in Delhi ?

There is just one other little point I should like to mention before I proceed further. Labour conditions in Delhi, being what they are, I should like to know what arrangements have been made for housing the labour population there. A question was asked in this House in the last Session. Perhaps I was myself responsible for asking that question and some other Members also. The Municipality of Delhi had given notice to many hundreds and thousands of coolies, who were responsible for making New

Delhi what it is today, to quit their quarters. I understand their water supply was stopped and they were asked to clear out bag and baggage. I should like to know in that connection what is the arrangement which Government contemplate to make in order to house the labour population of New Delhi. I mean the labour population which they will employ in building these additional quarters proposed in the scheme before the House just now. Then, again, I should like to bring to the notice of this House the scheme which is under contemplation. It is said that a scheme was worked out in 1930 and that it was estimated that the demand for residential accommodation then comprised additional quarters for at least 52 officers and 837 clerks, the provision of which cost about 79 lakhs. I should like to know what happened to that scheme, as to how many officials' and how many clerks' quarters were provided and how many yet remain to be provided. It is said that the scheme was approved in principle, but had to be postponed owing to the difficulty of providing funds. I should like to know how far the financial situation of the Government of India has improved to justify them in embarking upon this costly project. If there is a plethora of funds at the disposal of Government, I should like to submit that the rate payers of the country were entitled to the first relief. A portion of the taxation, with which they are burdened and under which they are groaning, ought to have been remitted, but, instead of that, I find that costly projects are undertaken. I am not referring principally to this item which is on the agenda just now. There have been so many other directions of expenditure in which the interests of the rate payers have been lost sight of. "Since 1930, rates for buildings have dropped considerably, while money can also be obtained at much cheaper rates." The Honourable the Finance Member has not enlightened the House as to his scheme for providing money at much cheaper rates for the building of these quarters. "The Government of India therefore consider" the statement continues "that the present moment is a suitable opportunity for re-opening the project estimate, particularly in view of the serious shortage of quarters." I find that in Simla also quarters are being provided. Only recently some expenditure was incurred in providing kitchen arrangements for some of the Members of the Legislative Assembly occupying Longwood Hotel, New Block. I quite welcome that piece of expenditure, but I should like to know whether Government have a settled plan in tackling this question finally and definitely.

The Honourable Sir Frank Noyce : I should like to mention with reference to what the Honourable Member has just stated that the provision of kitchens at Longwood, which has been urged on me for some time past, is a very small work costing a few thousand rupees.

Mr. Gaya Prasad Singh : I have myself stated just now that I welcome that project, and, as a member of the House Committee, I was responsible for recommending the building of these cooking sheds. Therefore, I do not grumble at that little bit of expenditure which the Honourable Member's Department has incurred. I should have liked him to spend a little more in that direction, if necessary ; and I should like to know once for all what is up their sleeve in finally settling this question of exodus and the permanent residence of the Government of India in New Delhi. The statement says :

"As matters stand at present, the staff of all Departments are being subjected to great difficulties in finding suitable accommodation. During the winter season of 1932-33, there was a total demand for 2,651 married clerks' quarters and 290 officers'

[Sir George Schuster.]

tions and that, before the House is asked to take any further step in connection with this programme, we will endeavour to put before the House information on all the points that have been raised.

Now, Sir, there is only one other thing that I wish to say and that is as regards the general financial position. There has been, I think, certain amount of confusion in some of the remarks which have been made by my Honourable friends opposite between capital expenditure and expenditure which has to be charged to revenue. I never ventured to state that, so far as the budgetary position was concerned and so far as the balance between current revenue and the current expenditure was concerned, we had any justification for looking forward to any definite improvement. We hope that things are getting better, but there certainly is no evidence on which I can express an opinion of that kind. What I did say was that as regards the Government's capacity to undertake capital expenditure, the position had entirely changed. But I wish to say now that we should not, even in the present position, feel ourselves justified in undertaking capital expenditure which was going to put upon the revenue position of the Government in future any serious burden. In the case of the present proposition, the expenditure is, to a very large extent, remunerative. The slight difference that may occur between the actual return from the letting of the houses and the interest that is to be paid will, at any rate, on the amount of expenditure which is now in contemplation, not appreciably affect the Budget or the Government's power to remit taxation. We are not asking the House to undertake any project which will substantially or appreciably deteriorate the budgetary position. That, Sir, makes the position perfectly clear and I will not detain the House any longer with my remarks on this subject.

Mr. President (The Honourable Sir Shanmukham Chetty) :
The question is :

“ That a supplementary sum not exceeding Rs. 9,81,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1934, in respect of ‘ New Capital Works at Delhi ’.”

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Monday, the 11th September, 1933.

LEGISLATIVE ASSEMBLY.

Monday, 11th September, 1933.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President (The Honourable Sir Shannukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

PROCEEDINGS OF THE SUB-COMMITTEE OF THE WORLD ECONOMIC CONFERENCE DEALING WITH SHIPPING SUBSIDIES.

762. ***Mr. K. C. Neogy** : (a) Will Government be pleased to state if they have received a copy of the official report of the proceedings of the Sub-Committee of the World Economic Conference dealing with shipping subsidies, and if so, will Government be pleased to place a copy of the same on the table ?

(b) Will Government be pleased to state if their delegates to the World Economic Conference took part in the proceedings of the Sub-Committee dealing with shipping subsidies, and if so, will Government be pleased to state what were the views expressed by them on that question ?

(c) Will Government be pleased to state if they have been asked by the Secretary of State to submit their views on the question of shipping subsidies, and if so, are Government prepared to lay on the table a copy of the despatch they have forwarded on this subject ?

The Honourable Sir Joseph Bhore : (a) Yes. A copy of the Reports of the Monetary and Economic Conference has been placed in the Library of the Indian Legislature.

(b) and (c). The reply to the first part of each of these questions is in the negative, and the second does not arise.

Mr. K. C. Neogy : Do I take it that the Government of India did not give any instructions to their delegates in this matter ?

The Honourable Sir Joseph Bhore : No, Sir. They did not.

Mr. K. C. Neogy : Why not, Sir ?

The Honourable Sir Joseph Bhore : Because they were not directly concerned with the matter.

Mr. Lalchand Navarai : May I know, how they were not concerned with the matter ?

The Honourable Sir Joseph Bhore : I leave my Honourable friend to exercise his own intelligence in the matter.

Mr. Lalchand Navarai : I want better intelligence from the Honourable Member.

The Honourable Sir Joseph Bhore : I have too great a respect for my Honourable friend's intelligence.

PURCHASE OF SHARES BY GOVERNMENT SERVANTS IN JOINT STOCK COMPANIES.

763. ***Mr. B. R. Puri** : (a) Will Government be pleased to state if it is a fact that a Government servant cannot take any active part or be a partner in a private firm, but he can purchase shares in a joint stock concern ?

(b) Is it a fact that a Government servant cannot be a proprietor, partner or editor of a newspaper ?

(c) Will Government please state if he can purchase shares in a joint stock company owning a printing press which may also be publishing or owning a newspaper in the same manner as he can purchase shares in other joint stock concerns ?

The Honourable Sir Harry Haig : (a) Under rule 15 of the Government Servants' Conduct Rules (a copy of which is in the Library) a Government servant may not, without the previous sanction of the Local Government, engage in any trade or undertake any employment, other than his public duties. Under rule 12 of the same Rules a Government servant may not make any investment (other than an investment in immoveable property permitted by rule 10 of the same Rules) which gives him such private interest in matters with which his public duties are connected as would be likely, in the opinion of the Local Government, to embarrass or influence him in the discharge of his duties.

(b) It is laid down in rule 18 of the Government Servants' Conduct Rules that a Government servant may not, without the previous sanction of the Local Government, become the proprietor in whole or in part, or conduct or participate in the editing or management of any newspaper or other periodical publications.

(c) I would refer the Honourable Member to my answers to (a) and (b) of his question.

INCOME-TAX ASSESSED ON THE INCOME OF RAI BAHADUR BANARSI DAS OF AMBALA.

764 ***Sardar Harbans Singh Brar** : (a) Will Government be pleased to state the amount of income-tax assessed each year on the income of Rai Bahadur Banarsi Das, Rais, Banker and Mill-owner of Ambala, during the last fifteen years ?

(b) Are Government aware that one Kartar Singh, son of Khazan Singh, has submitted a memorial, dated the 5th June, 1933, to His Excellency the Governor of the Punjab, making serious allegations against the Rai Bahadur and the Income-tax Department regarding the Rai Bahadur's successfully evading the income-tax assessment during the past fifteen years, although he has been enjoying enormous profits from his various concerns during the said period (paragraph 9 of the said memorial deals with the subject in question) ?

(c) If not, are Government prepared to take early steps to secure a copy of the said memorial and take suitable action in the matter ?

(d) If the aforesaid memorial has already come to the notice of Government, will they be pleased to state what steps they have already taken, or they propose to take, regarding the said matter ?

(e) Are Government prepared to make an immediate enquiry into this matter ?

(f) If so, do Government propose to entrust this enquiry to a Bench consisting of two judicial officers—one European and one Indian—in view of the serious allegations of cheating against the Rai Bahadur and of corruption against the Income-tax Department ?

The Honourable Sir George Schuster : (a) I am debarred by the provisions of section 54 of the Indian Income-tax Act from disclosing any particulars relating to an assessment proceeding.

(b) Yes.

(c) Does not arise.

(d) and (e). The Commissioner of Income-tax is making enquiries.

(f) No.

STATUS OF TEACHERS OF THE EAST INDIAN RAILWAY INDIAN SCHOOLS.

765. ***Pandit Satyendra Nath Sen :** (a) Are Government aware that in replies to question No. 296, parts (b), (c) and (d), dated 8th February, 1933, and to question No. 319, parts (b), (c) and (d), dated 9th February, 1933, affirming the correctness of the statements of Sir George Rainy on 25th February, 1928, that "the schools of the two of the biggest Company-managed Railways have come under the direct control of the state", and on 21st February, 1929, "that the schools are under our control"; and on 12th September, 1929 "that the schools are the property of the East Indian Railway, and the East Indian Railway belongs to Government and I do not think there can be any doubt that they are Government schools in that sense" and in the reply to question No. 31 in the United Provinces Legislative Council on 19th February, 1932, stating that the East Indian Railway High School, Tundla "belongs to the Central Government", Government have recognised that the East Indian Railway Indian Schools including the East Indian Railway Oakgrove School for Anglo-Indians are "Government Schools" ?

(b) If so, will Government please state (i) whether these schools are actually so treated in the day to day administration as well ? If not, why not ?

(c) Will Government please state if these schools are classified as Government schools in all Government returns ? If not, why not ?

(d) Are the committees attached to these schools advisory like those attached to provincial Government schools, and having the same powers ? If not, why not ?

(e) Do the committees, attached to the East Indian Railway Indian Schools possess full "proprietary powers" like those attached to privately-owned but Government-aided schools ? If so, why have powers to disburse Government funds been vested in these bodies ?

(f) Are Government aware that paragraph 10 of the rules and regulations for the management of the East Indian Railway Schools lays down : "The teaching staff of the school shall be subordinate to the committee through the Honorary Secretary, and all proposals for changes in

the staff or their salaries shall be recorded in the Minutes of Proceedings, for confirmation or otherwise, by the Superintendent. All *actual engagements, discharges or dismissals shall be made by the committee through the Honorary Secretary* " ? If so, will Government please state if there is any school belonging to the Local or Central Government, or any other branch of any Railway or Government service, in which such powers over the destinies of Government servants have been vested in committees of this type ?

(g) Are Government prepared to take immediate steps to insure to the teachers of East Indian Railway Schools greater security of service ?

Mr. P. R. Rau : (a) to (f). I would invite the Honourable Member's attention to the replies given to his previous question No. 274 and to Mr. A. Das's question No. 604 on the same subject during this Session.

(g) The Government are not aware that the teachers of the East Indian Railway are suffering under any grievance in respect of security of service.

Pandit Satyendra Nath Sen : May I know who is the Chairman of these school committees ?

Mr. P. R. Rau : There are various school committees and I do not think there is one Chairman for all of them.

Pandit Satyendra Nath Sen : Is it not a fact that these school committees are generally mismanaged ?

Mr. P. R. Rau : I have no information to that effect.

Pandit Satyendra Nath Sen : Is it not a fact that the railway school at Tundla has been informed by the Agent about the mismanagement of the committee and that the school has been threatened with abolition if it is not managed in a proper way ?

Mr. P. R. Rau : I have no knowledge about it, but if the Honourable Member will put a question, I will obtain information.

GOVERNING BODIES OF THE EAST INDIAN RAILWAY SCHOOLS FOR INDIANS.

766. ***Pandit Satyendra Nath Sen :** (a) Will Government please lay on the table of this House a statement showing the names and designations, with salaries, of the members of the governing bodies of all the East Indian Railway Schools for Indians ?

(b) Will Government please lay on the table of this House a statement showing the names of the executive officers, honorary secretaries and managers of the various East Indian Railway Indian schools, and their official designations together with their rates of pay, and also showing what powers they enjoy in their own departments with regard to the appointments, control and punishments, including dismissal, discharge, etc., of their own subordinates and their powers, and duties, in their respective schools over the teachers and the headmasters ?

(c) Is it a fact that the governing bodies of the East Indian Railway Indian schools contain a number of low-paid, lower subordinates, such as clerks, ticket-collectors, guards, etc., etc., who are far inferior in education, status, pay or position to the teachers and headmasters of the East Indian Railway Indian high schools whose destinies they control and govern ?

If so, why is such an arrangement permitted? Are Government aware of such an arrangement existing in any Government school run by Local Governments?

(d) Do Government propose to bring the administration of the East Indian Railway Indian schools and the powers and positions of the committees attached to them into line with the administration of the committees attached to the Provincial Government schools?

Mr. P. R. Rau : (a) and (b). Government do not consider that any public purpose would be served by the collection of this detailed information.

(c) Under the rules and regulations for the management of the East Indian Railway schools the members consist of the principal resident servants of the Railway who may be willing to serve and such other residents in the neighbourhood as it may be desirable to have thereon and who may be willing to take an interest in the working of the school.

(d) Government do not consider that it is necessary to follow the Provincial Government strictly in the detailed rules for the administration of Railway schools.

Pandit Satyendra Nath Sen : Will Government consider the desirability of improving the position of these school committees and conferring greater power on the headmasters of the schools with a view to effecting better control and discipline in the schools?

Mr. P. R. Rau : If my Honourable friend has any suggestions to make, I will consider them.

Mr. M. Maswood Ahmad : Is it not a fact that the Superintendents are Presidents of these managing committees?

Mr. P. R. Rau : I do not know. But if my Honourable friend wants information, I shall get it for him.

Dr. Ziauddin Ahmad : May I ask whether it is the policy of the Government to abolish these schools altogether gradually?

Mr. P. R. Rau : It is not practicable, I am afraid. We tried to make the Provincial Governments take these schools over, but there were difficulties in the way.

PROPOSED TRANSFER OF THE SEAT OF THE HIGH COURT FROM ALLAHABAD TO LUCKNOW.

767. ***Mr. A. Das :** Are Government aware that the intention of the United Provinces Government is to transfer the seat of the High Court from Allahabad to Lucknow? Have Government received any communication on the subject? If so, will they please lay a copy of it on the table of this House?

The Honourable Sir Harry Haig : Government are not aware of any such intention and have received no communication on the subject.

THROUGH BOGIES BETWEEN CERTAIN STATIONS.

768. ***Mr. M. Maswood Ahmad :** (a) Will Government be pleased to state whether any first and second class bogie is attached to the trains at the capital of the Bihar Province for Delhi, Kalka, Lahore, or Dehra Dun?

(b) Will Government be pleased to state from which stations through bogies go to (i) Delhi ; (ii) Kalka , (iii) Lahore ; and (iv) Dehra Dun ?

Mr. P. R. Rau : (a) Not at present, but as I informed the House the other day it is proposed from the 1st October to attach such a carriage to run between Patna and Kalka *via* Allahabad in summer and to Lahore in winter.

(b) The information is contained in the time tables of the Railways concerned.

RUNNING OF MAIL TRAINS THROUGH PATNA.

769. **Mr. M. Maswood Ahmad :** Is it a fact that there is a proposal that no mail train should pass *via* the main line touching the capital of the Bihar province on the East Indian Railway ?

Mr. P. R. Rau : No.

Mr. M. Maswood Ahmad : May I know which mail train will pass through Patna ?

Mr. P. R. Rau : 5 Up.

Mr. M. Maswood Ahmad : I believe a bogie will be attached to that for Delhi ?

Mr. P. R. Rau : Yes, Sir.

RUNNING OF A THROUGH BOGIE BETWEEN TWO STATIONS.

770. ***Mr. M. Maswood Ahmad :** Will Government be pleased to state what is the number of passengers which in their opinion justifies the running of a through bogie between two stations ?

Mr. P. R. Rau : Government are not prepared to express an opinion. It depends on varying factors, such as the seating capacity of the carriages in general use, the fluctuating nature or otherwise of the traffic and so on.

Mr. M. Maswood Ahmad : Will Government please state the factors which affect these ? I find, in reply to several of my questions, the Honourable Member says that the number of the travelling public does not warrant the running of trains or attaching bogies. I want to know all the factors.

Mr. P. R. Rau : I have already said that the decision of this question depends upon varying factors such as the seating capacity of the carriages, the fluctuating nature of the traffic or otherwise, and so on.

Mr. M. Maswood Ahmad : Are Government prepared to state all the factors which are concerned ?

Mr. P. R. Rau : I am afraid it is not possible for me to give an exhaustive reply to this question.

Mr. Lalchand Navalrai : May I know if there is any rule laid down that a train will be run if there are so many passengers and a bogie will be run if there are so many passengers ?

Mr. P. R. Rau : There is no such rule.

DEATH OF ONE H. BAGCHI, A DETENU IN THE DEOLI DETENTION CAMP.

771. ***Mr. M. Maswood Ahmad** : (a) Is it a fact that Mr. H. Bagchi of Rajshahi District, a detenu in Deoli Detention Jail died on the 22nd August, 1933 ?

(b) Will Government be pleased to state the cause of the death of the detenu ?

(c) Will Government please state the conditions on which Mr. Krishna Gopal got the permission to cremate the body ?

Mr. T. Sloan : (a) and (b). The detenu died on the 21st August of pneumonia following an operation for appendicitis.

(c) Messrs. Krishna Gopal Gurg and S. L. Gupta of Ajmer were permitted to cremate the body on the understanding that it would not be taken in procession.

Mr. M. Maswood Ahmad : Will Government be pleased to say why these restrictions were imposed for taking the dead body ?

Mr. T. Sloan : I think the reasons for imposing these conditions are obvious.

Mr. M. Maswood Ahmad : What are those obvious reasons ?

Mr. T. Sloan : Because the Commissioner did not wish to have a demonstration made.

Mr. M. Maswood Ahmad : Are Government aware that even the Generals of enemies are respected after their death ?

Mr. T. Sloan : I do not think the Government consider this gentleman as an enemy.

Mr. M. Maswood Ahmad : Do Government consider these nationalists, who have been detained without any charge and without any trial, as worse than the Generals of enemies ?

Mr. T. Sloan : No, Sir.

FAILURE OF WATER SUPPLY AT THE KURUKSHETRA STATION AFTER THE SOLAR ECLIPSE.

772. ***Mr. M. Maswood Ahmad** : (a) Is it a fact that the Railway water supply failed at Kurukshetra station immediately after the solar eclipse, which dislocated the train traffic for some hours ?

(b) Are Government aware that passengers suffered considerable inconvenience as no water could be obtained ?

(c) Is it a fact that several women and children collapsed due to scarcity of water ?

(d) What action do Government propose to take to avoid a recurrence of such trouble in future ?

Mr. P. R. Rau : Government are aware that certain allegations to this effect appeared in certain papers. Enquiries were immediately instituted, and it was found that these were based on inaccurate information. They were, I understand, contradicted later, the actual facts are that at about 19-15 hours it was found that the water level in the high service tank had fallen to nine inches owing to the waste of water which was then

taking place due to taps not being closed after use, and it was therefore then decided in order to refill the high service tank to shut off the water to the *Mela* passenger area until 20 hours, when the supply was re-opened. Not a single ordinary or Special train was detained due to lack of water and actually during the period in which it was alleged that no trains were able to leave, five ordinary passenger and 16 *Mela* Specials left Kurukshetra. Had any such serious shortage of water occurred, as was alleged, it would not have been possible to have run 49 *Mela* Specials in the first 24 hours which is a higher figure than that obtained in 1928 on the last occasion of the Solar Eclipse at Kurukshetra.

Mr. Lalchand Navalrai : May I know if there was some defect in the tank for which the water went down ?

Mr. P. R. Rau : I have been informed that the water level in the high service tank fell to 9 inches owing to the waste of water which was then taking place by taps being kept open.

Mr. Lalchand Navalrai : May I know what was the arrangement to see that taps were not interfered with like that ?

Mr. P. R. Rau : It is not possible to detail a railway servant to close taps after use by every passenger.

Mr. Lalchand Navalrai : Was there no superintendence over the water that was allowed to be used ?

Mr. P. R. Rau : In a large crowd such as we find at a *Mela*, it is obviously impossible to see that every passenger who uses the tap turns it off after use and it must be left to the good sense of the passengers concerned.

Mr. Lalchand Navalrai : May I know how many pipes were there to be tapped ?

Mr. P. R. Rau : Perhaps my Honourable friend will give me notice of that question.

Mr. M. Maswood Ahmad : Did any one collapse ?

Mr. P. R. Rau : To the best of my information, there was no such incident.

PAYMENT MADE TO THE INDIAN BRANCH, OF THE ROSS INSTITUTE.

773. ***Mr. M. Maswood Ahmad :** Do Government pay any amount to the India Branch of the Ross Institute ?

Mr. G. S. Bajpai : No, Sir.

REPRESENTATION OF THE GOVERNMENT OF INDIA AT THE INTERNATIONAL WHEAT CONFERENCE.

774. ***Mr. M. Maswood Ahmad :** (a) Will Government be pleased to state whether or not they were represented at the International Wheat Conference ?

(b) Will Government be pleased to state whether they are aware of the extent to which the agreement on the subject, if any, will affect India ?

Mr G. S. Bajpai : (a) India did not take part in the recent conference between the four principal wheat exporting countries or in their subsequent negotiations with European wheat importing countries.

(b) India is not a party to the agreement to restrict production which is reported to have been arrived at between the United States, Canada, Australia and the Argentine. It is not yet possible to predict the effect of this agreement on India.

Mr. M. Maswood Ahmad : Have Government examined the question whether this agreement will affect India or not ?

Mr. G. S. Bajpai : Yes, Sir ; and their own present conclusion is that it will not affect India at all.

DERAILMENT OF AN ENGINE AND SOME BOGIES NEAR CHINIOT, NORTH WESTERN RAILWAY.

775. **Mr. M. Maswood Ahmad :** Will Government be pleased to state the full facts of the derailment of an engine and some bogies, on account of the Chiniot landslide which took place on Tuesday, the 22nd August, 1933 ?

Mr. P. R. Rau : The report received from the North Western Railway shows that as a result of a landslide the engine and two loading vehicles of No. 138 Down Passenger train got derailed on the 23rd August, 1933, in the cutting between Kot Amir Shah and Chiniot stations on the Sargodha-Lyallpur Section of the North Western Railway. There were no casualties. The train service was resumed on the 30th August.

VACANCIES IN THE GAZETTED RANK IN THE RAILWAY SERVICES.

776. **Mr. M. Maswood Ahmad :** (a) Is it a fact that four vacancies in the gazetted rank in the Railway Services have occurred ?

(b) Is it a fact that Government want to recruit three Europeans and one Madrasi for the four vacancies mentioned in part (a) ?

(c) Is it a fact that Government have requested the Secretary of State, to send three Europeans for the vacancies ?

(d) Will Government be pleased to state whether qualified men were not available in India ?

(e) Will Government be pleased to state the qualifications required for these appointments ?

Mr. P. R. Rau : My Honourable friend has since informed me that he is referring to State-managed Railways. I am not aware of any proposal to recruit three Europeans and one Madrasi to the Superior Railway Services as stated by the Honourable Member.

Mr. M. Maswood Ahmad : Was there any vacancy on the Burma Railways ? If so, did the Agent request the Railway Board to send one man for the post of an Engineer ?

Mr. P. R. Rau : I think there was a vacancy in the Electrical Department of the Burma Railways and steps are being taken to recruit for the vacancy in India.

Mr. M. Maswood Ahmad : Is that the gentleman who is mentioned in this question ?

Mr. P. R. Rau : I am not aware that anybody is mentioned in this question.

Mr. M. Maswood Ahmad : Has any letter been issued by the Railway Board to the High Commissioner in England for recruiting three Europeans either for State-managed or for Company-managed Railways ?

Mr. P. R. Rau : I cannot say about Company-managed Railways until my Honourable friend tells me what Company-managed Railway he is referring to and what department he refers to. As regards State-managed Railways, I have already said that there is no proposal to recruit three Europeans and one Madrasi, and no such letter has issued from the Railway Board to the High Commissioner.

Dr. Ziauddin Ahmad : May I know whether officers in a Company-managed Railway are recruited by the Directors of the Company or by the Railway Board ?

Mr. P. R. Rau : By the Directors, Sir.

FIXATION OF THE DATE AND TIME FOR DIFFERENT STANDING COMMITTEES.

777. ***Mr. M. Maswood Ahmad :** Do Government propose to fix the date and time for meetings of different Standing Committees in consultation with the Secretary of the Legislative Assembly ?

The Honourable Sir Joseph Bhoré : There is already a standing instruction that Departments should consult the Secretary, Legislative Assembly, as far as possible, before fixing the times for meetings of Committees of which Members of the Legislature are members.

Mr. M. Maswood Ahmad : Is it a fact that there was a meeting of the Standing Finance Committee for Railways in the end of August and that there was another meeting of the Standing Committee on Hedjaz on the same day ?

The Honourable Sir Joseph Bhoré : I think my Honourable friend is right in his suggestion.

Mr. M. Maswood Ahmad : Was any representation made to the Leader of the House in this connection that it is impossible for common members to attend both these Committees ?

The Honourable Sir Joseph Bhoré : I think my Honourable friend did suggest to me that it was impossible for him to attend both at the same time.

Mr. M. Maswood Ahmad : Is it a fact that after this suggestion, the interval between the two meetings was only reduced ?

The Honourable Sir Joseph Bhoré : I am sorry if my Honourable friend was put to any inconvenience in this matter, but he will realise that the fault did not rest with my Department. The actual change of time was made by another Department, but we shall do our best to see in future that the standing instructions are observed.

Mr. S. C. Mitra : Will Government also see that these committees are not called before 11 A.M. which suit only those who are accustomed to European style of living ; the time should suit also those who are used to Indian style of living and have their own hours of taking food at 10 or 10-30 A.M. ?

The Honourable Sir Joseph Bhore : My Honourable friend must realise that in a crowded session like this, it is essential to make use of every possible moment that we can get.

Mr. S. C. Mitra : Then why is no meeting held at 1-30 P.M. or on Sundays, simply because it is inconvenient to official Members ?

The Honourable Sir Joseph Bhore : My recollection is that on one occasion when a meeting of the Railway Standing Finance Committee was called on a Sunday, there was a general protest in this House.

Mr. M. Maswood Ahmad : May I know if it is a fact that in the Standing Committee meeting of that day, there was not a single item on the agenda which could not be postponed for a day ?

The Honourable Sir Joseph Bhore : I am afraid I do not know the agenda of the Haj Committee meeting of that day.

Mr. Vidya Sagar Pandya : Is it possible to discourage a Member of this House being on too many Standing Committees ?

The Honourable Sir Joseph Bhore : The remedy is in the hands of Honourable Members themselves.

Dr. Ziauddin Ahmad : May I suggest that the information about notices of Committee meetings may be sent to the Secretariat of the Assembly when they may be in a position to point out in time, if the times fixed for two or more meetings clashed ?

The Honourable Sir Joseph Bhore : I have already said that we hope that arrangements will be made to see that this standing instruction is more closely observed in future.

SCHOOL BUILDINGS ON THE RIDGE AT NEW DELHI.

778. ***Pandit Satyendra Nath Sen :** (a) Will Government please state what is the total expenditure incurred on the school buildings on the Ridge at New Delhi ?

(b) What are the schools that have been located in the above buildings ?

(c) What is the number of students and teachers in those schools ?

(d) Has any provision been made for the residential accommodation of the teachers ? If not, do Government propose to take up the question of the residential accommodation of these teachers in the building programme that has been sanctioned recently ?

Mr. G. S. Bajpai : (a) Rs. 4,53,532.

(b) and (c). A statement giving the information asked for by the Honourable Member is laid on the table.

(d) Provision is being made for the residential accommodation of teachers.

Statement giving the names of and the number of teachers and students in the Schools located on the Ridge, New Delhi.

No.	Name of the school.	No. of teachers.*	Students.	
			During Summer.	During Winter.
1	Municipal Boys High School	21	407	500
2	Bengali Boys High School .. .	12	262	262
3	Municipal Boys Primary School	9	313	560
4	Madraasi Primary School	2	22	80

*NOTE.—Some temporary staff is engaged to cope with the increase of boys in winter.

NOMINATION OF MEMBERS OF THE NEW DELHI MUNICIPAL COMMITTEE.

779. *Pandit Satyendra Nath Sen : (a) Will Government please state the number and the names of the members of the New Delhi Municipal Committee ? What is the principle on which the nominations have been made ?

(b) Will Government please state the number of Bengali residents in New Delhi and state why no nominations were made from that community ?

(c) Is it a fact that a very large number of the official non-migratory population of the non-gazetted rank exists at New Delhi ? If so, why has no nomination been made from among this class of officials ?

(d) Is it a fact that representation has been allotted to the Imperial Secretariat Association (migratory), but that representation of the local Civil Accounts Association was refused ? If so, why ?

(e) Are Government considering the desirability of remodelling the Municipality so as to allow representation of the various provincial communities living in New Delhi ?

Mr. G. S. Bajpai : (a) I lay on the table a statement which gives the information asked for in the first part of the Honourable Member's question. Nominations are made with regard to two principles, viz., the safeguarding of the interests of Government which has the largest share of any rate-payer in New Delhi and, consistently with this, to provide a non-official element which can speak for non-official interests.

(b) The total number of Bengalis in February, 1931, (last census) was 2,469. Nominations are not made on any sectional basis.

(c) The reply to the first part of the question is in the affirmative. As regards the second part, I would invite the Honourable Member's attention to the answer I have given to parts (a) and (b) of this question.

(d) The reply to the first part of the question is in the affirmative. The Civil Accounts Association asked for representation on the New Delhi Municipal Committee, but it was not found possible to grant this request.

(e) No.

Statement showing the number and names of the members of the New Delhi Municipal Committee.

President.

Mr. F. T. Jones, C.I.E., M.V.O., V.D., Officiating Chief Engineer, Central Public Works Department, New Delhi.

Members.

1. Superintending Engineer, I Circle, Central Public Works Department New Delhi.
2. The Chief Auditor, Railway Clearing Accounts, Delhi.
3. The Civil Surgeon, New Delhi (or, during the Civil Surgeon's absence in summer months, the Assistant Surgeon in charge Civil Hospital, New Delhi).
4. The Assistant Director of Public Health, Delhi.
5. The Superintendent of Education, Delhi.
6. The Land and Development Officer, New Delhi.
7. Superintending Engineer, II Circle, Central Public Works Department, New Delhi.

Appointed by name.

1. Mr. R. T. Russell, Chief Architect, Central Public Works Department, New Delhi.
2. Mr. C. G. Blomfield, New Delhi.
3. Mr. H. N. Khanna, Commerce Department, Government of India (representing the Imperial Secretariat Association).
4. S. B. Sardar Sobha Singh, New Delhi.
5. L. Jagdish Pershad, New Delhi.
6. K. S. Chaudhri Akbar Ali, New Delhi.

Mr. Lalchand Navalrai: May I know why the elective system is not being introduced in the New Delhi Municipality which is supposed to be a progressive municipality?

Mr. G. S. Bajpai: As I explained on an earlier occasion, we have come to the conclusion that for the time being it is best to carry on with a nominated Committee.

Mr. Lalchand Navalrai: May I know what that length of time is going to be?

Mr. G. S. Bajpai: My Honourable friend would not expect me to fix a limit to that. I should say, at least for the next three or four years.

RESERVATION OF THE IMPERIAL COASTING TRADE TO BRITISH SHIPS.

780. ***Mr. K. C. Neogy:** (a) Will Government be pleased to state if the question of reserving the Imperial coasting trade to British ships

was discussed by a Sub-Committee at the last Ottawa Conference, and if so, will Government be pleased to state the views expressed by the delegates from India at that Conference on that subject

(b) Will Government be pleased to state whether they have received any communication from the India Office on the subject of reserving the Imperial coasting trade to British ships, and if so, will Government be pleased to state whether they have submitted any representation to the India Office on the subject?

(c) If the answer to (b) be in the affirmative, are Government prepared to lay a copy of their representation on the table?

The Honourable Sir Joseph Bhoré : (a) The attention of the Honourable Member is invited to the reply given by me to a somewhat similar question, on the same subject, asked in the Legislative Assembly by Mr. B. Das on the 28th November, 1932.

(b) The answer is in the negative.

(c) Does not arise.

PROTECTION TO THE INDIAN SHIPPING COMPANIES.

781. ***Mr. K. C. Neogy :** (a) Has the attention of Government been drawn to the following observations made by Sir Alfred Watson in reply to question No. 4538 during the course of his recent evidence before the Joint Select Committee of Parliament :

" I am bound to say, speaking as an European, that the Indians have a case for a large share in their coastal shipping ; and although I opposed the Bill very strongly because it savoured of expropriation, I recognise that Indian company after Indian company which endeavoured to develop a coastal service has been financially shattered by the heavy combination of the British interests. I think those British interests have to realise in the future that they must be prepared for a real partnership and must admit Indians to a share—at least a share in their coastal trade."

(b) If the answer to (a) be in the affirmative, will Government be pleased to state what steps they have taken or propose to take to protect Indian shipping companies from being " financially shattered by the heavy combination of the British interests " and to secure for them an adequate share of the trade in their home waters and on the overseas?

The Honourable Sir Joseph Bhoré : (a) Government have seen the observations referred to.

(b) The attention of the Honourable Member is invited to the replies given to somewhat similar questions asked in the Legislative Assembly by Mr. S. C. Shahani and Mr. B. Das on the 29th January, 1931, and the 29th March, 1932, respectively, and in the Council of State by the Honourable Lala Jagdish Prasad on the 8th March, 1933. The whole question of the development of an Indian Mercantile Marine has been engaging the attention of the Government of India for some time past, and they have repeatedly expressed the opinion that a solution of this difficult problem should, as far as possible, be found in an agreed settlement between the interests concerned. I am glad to be able to inform the Honourable Member that considerable progress has been made in that direction.

Dr. Ziauddin Ahmad : May I ask whether the Honourable Member agrees with the observations made by Sir Alfred Watson?

The Honourable Sir Joseph Bore : I think that my personal opinion does not matter very much.

Dr. Ziauddin Ahmad : I did not ask the personal opinion of the Honourable Member. On the floor of the House I ask the opinion of the Government.

The Honourable Sir Joseph Bore : My Honourable friend did not make that clear.

Dr. Ziauddin Ahmad : I now make it clear that I ask the opinion of the Honourable Member for Commerce.

The Honourable Sir Joseph Bore : My Honourable friend is still asking for an opinion ; but the views of the Government of India have been very definitely laid down as will be seen from Mr. Neogy's next question.

Mr. B. Das : Did it not surprise the Honourable Member to find such an expression of opinion from Sir Alfred Watson on his retirement from India ?

The Honourable Sir Joseph Bore : That is hardly a matter which calls for a reply.

Mr. B. Das : I would like to know the Honourable Member's opinion on the point.

The Honourable Sir Joseph Bore : I regret I am not prepared to give any opinion on the point.

Mr. Gaya Prasad Singh : Knowing the antecedents of Sir Alfred Watson, I think nobody should be surprised at the expression of this opinion.

PARTICIPATION OF INDIAN SHIPPING IN THE COASTAL AND OVERSEAS TRADE OF INDIA.

782. ***Mr. K. C. Neogy :** (a) Will Government be pleased to state if it is their policy to take steps for providing an adequate participation of Indian shipping,

(i) in the coastal trade of India,

(ii) in the overseas trade of India ?

(b) Will Government be pleased to state if they announced, at the end of the Shipping Conference convened by them in 1930, that the responsibility for taking further steps for the development of Indian shipping in the coastal and overseas trade of India will rest on them ?

(c) Will Government be pleased to state if in September, 1932, they further confirmed their policy regarding the development of Indian shipping by stating in the Legislative Assembly " that Government are particularly anxious to facilitate the growth and the expansion of the coastal trade of India in so far as that coastal trade is operated by Indian agencies and through the instrumentality of Indian capital " ?

(d) If the answer to (a), (b) and/or (c) be in the affirmative, will Government be pleased to state the steps they have taken, or propose to take, for an adequate participation and development of Indian shipping both in the coastal and the overseas trade of India ?

The Honourable Sir Joseph Bhore : (a), (b) and (c). The reply is in the affirmative.

(d) The attention of the Honourable Member is invited to the reply just given by me to his question No. 781.

Dr. Ziauddin Ahmad : May I ask what steps have Government taken to realise the object underlying these questions ?

The Honourable Sir Joseph Bhore : As I have explained, Government hold the view that this very difficult problem can only be settled by general and mutual agreement between the parties concerned. So far as Government are concerned, they have taken every opportunity to try and bring about such agreement. I am glad to be able to say that their efforts have in recent times been successful, and I can assure this House that, so far as the Government are concerned, it will be their constant endeavour to see that the development of the Indian-owned mercantile marine is steadily kept in view and steadily pushed forward.

Sardar Sant Singh : May I know if the Government propose to introduce any legislation to protect this trade in case the British companies do not agree adequately to protect the interests of the Indians ?

The Honourable Sir Joseph Bhore : I do not propose to reply to a hypothetical question.

Mr. Lalchand Navalrai : May I know from the Honourable Member if any conference for considering these agreements is being called ?

The Honourable Sir Joseph Bhore : No : no conference is being called ; but I think the reply to the next question of my Honourable friend, Mr. Neogy, will show that a new arrangement has been arrived at recently.

PARTICIPATION OF INDIAN SHIPPING IN THE COASTAL AND OVERSEAS TRADE OF INDIA.

783. ***Mr. K. C. Neogy :** (a) Will Government be pleased to state if their good offices were ever utilised in bringing about an agreement between the British shipping companies and the Indian shipping companies engaged in the coastal trade of India ?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state whether any new arrangement that might have been reached with their help effectively provides for an adequate participation of Indian shipping both in the coastal and overseas trade of India ?

The Honourable Sir Joseph Bhore : (a) Yes.

(b) I am not in a position to give details, but the arrangement referred to by the Honourable Member provides substantial further opportunities for the development of Indian shipping.

Mr. B. Das : Is it not a fact that since the rapprochement between Sir Leslie Hudson representing the B. I. S. N. Co. and my friend, Mr. Mody, representing the Scindia Steam Navigation Company, these two gentlemen have formed an offensive and defensive alliance and that Sir Leslie Hudson defended the Cotton Yarn Textile Protection Bill which was passed the other day ?

The Honourable Sir Joseph Bhoré : I am not aware of any such alliance between my Honourable friends referred to.

Mr. B. Das : Is it not a fact that last Session, before this agreement was reached, my friends, Mr. Mody and Sir Leslie Hudson, were seen always closetted together in the lobby and also in the House ?

GRIEVANCES OF THE INDIAN SHIPPING COMPANIES.

784. **Mr K. C. Neogy :** (a) Is it a fact that a deputation of Indian ship-owners waited upon His Excellency at New Delhi in October last and submitted to His Excellency the grievances of Indian shipping and pointed out to him that if timely help was not given, Indian Shipping Companies, and especially the small Indian Steamship Companies on the west coast of India, would be wiped out of existence owing to the unfair rate war and other means adopted by the British vested interests ?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state what steps they have taken to prevent the small Indian Steamship Companies from being wiped out of existence, and whether they are aware that the freight war carried on against them by the British vested interests has ceased ?

The Honourable Sir Joseph Bhoré : (a) Yes.

(b) The Honourable Member is referred to the reply given to part (b) of his question No. 781. The case of the small Indian Steamship Companies has also been borne in mind in that connection. I have, however, very recently received a further representation on this subject, and am making inquiries into the present state of affairs in the trade in question.

NON-ADMISSION OF INDIANS TO THE PRINCE OF WALES SEAMEN'S INSTITUTE, BOMBAY.

785. **Mr. K. C. Neogy :** With reference to starred questions Nos. 1058 and 1059 relating to the non-admission of Indians to the Prince of Wales Seamen's Institute, Bombay, put by Mr. B. Das in the Legislative Assembly on the 29th March, 1932, will Government be pleased to lay on the table of this House copies of the answers that may have been sent to Mr. B. Das as promised by the Honourable Sir George Rainy in reply to those questions ?

The Honourable Sir Joseph Bhoré : Replies to the questions referred to were laid on the table on the 7th November, 1932.

TRAINING OF MARINE ENGINEERS IN INDIA.

786. **Mr. K. C. Neogy :** (a) Are Government aware that Lord Irwin as the Viceroy of India, speaking at Calcutta in 1928, observed " that India should have its mercantile marine and that the ships of that mercantile marine should be officered as well as manned by Indians " and that he further added that " in modern times experience of countries that have tried to create a mercantile marine has shown that everything depends upon the personnel " and that " on the long view it is the training of the personnel that I believe to be the fundamental of the whole matter in this vital matter " ?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state when they propose to provide facilities for the training of marine engineers in India ?

The Honourable Sir Joseph Bhore : (a) Yes.

(b) A scheme for the provision of facilities for the training of Marine Engineers in India is at present being worked out, but I am not yet in a position to say when it can be brought into effect. That must depend, among other things, on the possibility of providing the necessary funds.

Dr. Ziauddin Ahmad : Have the Government of India formulated any scheme mentioning the amount of money they require and, if so, whether they have sent any recommendations to the Finance Department about it ?

The Honourable Sir Joseph Bhore : No ; not yet ; the scheme itself is being worked out.

ALLEGED ATTACK ON MAHATMA GANDHI BY THE *Daily Gazette* OF KARACHI.

787. ***Mr. Lalchand Navalrai :** (a) Will Government be pleased to state if their attention has been drawn to the leading editorial article under the heading " Mr. Gandhi's latest " published in the *Daily Gazette*, the Anglo-Indian paper of Karachi, in its issue of the 18th August, 1933, which has been referred to in the *National Call* of the 24th August, 1933, and the *Sind Observer* of the 20th August, 1933, stating that the *Gazette* " has crossed all bounds of journalistic decency and decorum by indulging in a vituperative outburst against Mahatma Gandhi on account of his recurring fasts, and pleading for meting out to him corporal punishment of the most barbarous and outrageous kind and suggesting flogging him on that part of anatomy which nature has specifically provided for the purpose " ?

(b) Is it a fact that the *Daily Gazette*, in its issue of the 18th August, 1933, wrote as follows :

" Most people feel that Gandhiji should be well smacked on part of anatomy nature has specifically provided for the purpose. Unfortunately, he is too old for this type of treatment to prove of any use—certainly his latest antic smacks of a silly old man entering his second childhood. The writer feels disappointed at the impossibility to inflict flogging on Mahatmajji owing to his old age and not because of his cruel nature "

(c) Are Government aware that the same *Daily Gazette* has on previous occasions too advocated indiscriminate award of flogging punishment to civil disobedience offenders below the age of 18 and remarked early in 1932 that " buttocks are created or intended by nature for flogging " ?

(d) Are Government aware that such provocative writings create bad blood between Europeans and Indians ?

(e) Are Government aware that it has been suggested in the papers to take suitable action against the authors of such writings in the *Daily Gazette* ?

(f) Are Government aware that Mahatma Gandhi is held in great reverence by the millions in India ?

(g) Have Government consulted their law officers with a view to taking any action against the *Gazette* ? If so, with what result ?

(h) Do Government propose to take action against the *Daily Gazette* under the Press Act, or the Penal Code, or otherwise ? If not, why not ?

Mr. T. Sloan : (a) The Honourable Member's question has directed my attention to the article and the comments on it referred to. I ought to add that the *Daily Gazette* has published a further article repudiating the interpretations placed on its words in the comment quoted.

(b) The first two sentences quoted by the Honourable Member occur substantially in the article. The third does not, and appears to be the interpolation of a critic.

(c) Government have no information.

(d) to (h). The question of the effect produced by an article of this kind is one which can best be judged by the Local Government, who have power to take action against any writings that offend against the law.

Mr. Lalchand Navalrai : May I know from the Honourable Member whether the Local Government, which, in this case, is the Commissioner in Sind, has called for any explanation from the *Daily Gazette* ?

Mr. T. Sloan : I have no information.

Mr. Lalchand Navalrai : Does the Honourable Member know that the reply of the *Daily Gazette* on August 30th, 1933, to which perhaps the Honourable Member made reference, admits the two portions of the statement made in part (b) of the question ?

Mr. T. Sloan : Yes.

Mr. Lalchand Navalrai : Does the Honourable Member also see the silly explanation given, which is this, that the spanking referred to signified the action of an exasperated mother with a fractious child and the phrase was figurative connected with the childishness imputed to Mr. Gandhi's fasting antics which are similar to those of a child who refuses its food because its parents do not give in to its will ? May I know, with this explanation, whether the Honourable Member would think it necessary to call the attention of the Bombay Government that the answer is only childish and the allegation is admitted, and that action should, therefore, be taken against the *Daily Gazette* ?

Mr. T. Sloan : No, Sir. The Government of India do not propose to call the attention of the Government of Bombay to a reply which explains the obvious meaning of the article.

Mr. Lalchand Navalrai : May I know, therefore, whether Government are accepting this explanation which will not be acceptable even to a child ?

Mr. T. Sloan : The explanation given is an obvious one to any one who has a good knowledge of the English language.

Mr. Lalchand Navalrai : May I know if the Honourable Member is aware that there have been so many criticisms over this article which has been called childish and if he thinks that those who have criticised do not also know the English language well ?

Mr. T. Sloan : I have not seen any criticism, Sir, except the Honourable Member's.

Mr. M. Maswood Ahmad : Are Government aware that these articles have injured the feelings of many people who are living in the areas administered by the Central Government also ?

Mr. T. Sloan : Government have nothing to say in defence of the article.

Mr. M. Maswood Ahmad : I want to know whether Government are aware that these articles have injured the feelings of people who live in the areas administered by the Central Government ? This is a very simple question.

Mr. T. Sloan : The Government are not aware of the feelings of all the people who read or have read this article.

Mr. M. Maswood Ahmad : Do Government read nationalist papers as well ?

Mr. T. Sloan : Yes, Sir

Pandit Satyendra Nath Sen : May I know if the reference made by the *Daily Gazette* is to Indian buttocks only or European buttocks as well including those of the editor himself ?

Mr. T. Sloan : I believe the buttocks referred to were Indian

Mr. Gaya Prasad Singh : Is not the most appropriate form of punishment to the Anglo-Indian writers of such scurrilous articles that they should be flogged on that part of the body which is mentioned in (c) of the question ?

Sir Cowasji Jehangir : May I ask the Honourable Member whether Government have come to the conclusion that this article does not fall within the four corners of the law and that a criminal prosecution is not possible ?

Mr. T. Sloan : As I have said, that is a matter for the Local Government to consider.

Sir Cowasji Jehangir : Does the Honourable Member know that the Local Government is under the control, supervision and direction of the Government of India ?

Mr. T. Sloan : Yes, Sir.

Sir Cowasji Jehangir : Then does the Honourable Member know that it is for the Government of India also to make up their minds whether to launch a prosecution or not, because they, and not the Local Government, are responsible to this House ? I will ask a very simple question. Have the Government of India come to the conclusion that this article does or does not fall within the four corners of the law ?

Mr. T. Sloan : No, Sir ; the Government of India have not come to any conclusion on the subject, because they consider that the matter is one for the Local Government. It is perfectly right that the Local Government is under the direction, superintendence and control of the Government of India, but that does not mean that the Government of India should interfere with the Local Government in its day to day administration.

Sir Cowasji Jehangir : Does the Honourable Member mean to say that it is not the duty of the Government of India even to give the slightest consideration to the matter ?

The Honourable Sir Joseph Bhole : May I intervene for a moment, Sir, with your permission ? If my Honourable friend said that these articles were in questionable taste, I think there would be no difficulty in agreeing, but, Sir, it is a very different matter when you come to a question of criminal prosecution. A publication may offend against the canons of good taste, and yet it may not possibly be a fit subject for prosecution. I cannot speak for the Home Department, but I shall bring it to the notice of my Honourable colleague, the Home Member, and I have no doubt that he will send a copy of the questions and the replies given in this House to the Local Government for their consideration.

Sir Cowasji Jehangir : My question was, whether the Government had come to the conclusion that this article did not fall within the four corners of the law, and the answer given was that the Government of India had given no consideration to this matter. The answer evidently should have been whether it fell within the four corners of the law or not, but, instead of that, I am told that the Government of India had given no consideration to this matter. Mr. President, I think it is the duty of the Government of India to tell us whether they have given any consideration to this matter at all or not, whether the article falls within the four corners of the law or not ?

The Honourable Sir Joseph Bhole : I tried to make it perfectly clear that this is primarily a matter for the Local Government and for the exercise of the discretion of the Local Government. The Government of India do not propose to direct the Local Government to take certain action in this matter, but what they will do is, they will bring to the notice of the Local Government the opinions given expression to in this House, so that the Local Government may then come to a conclusion as to what they should do.

Mr. B. R. Puri : May I know, Sir, if the Government of India realise whether or not they have some responsibility in this matter ?

The Honourable Sir Joseph Bhole : I do not question that suggestion at all.

Mr. B. R. Puri : Very well ; then may I know when the publication of an article of this nature is widely circulated and it is also published and circulated in territories which are directly under the direction and control of the Government of India, for instance the Delhi Province, are not the Government of India responsible for an article of that nature which finds publication and broadcasting in a province like Delhi ?

The Honourable Sir Joseph Bhole : Sir, I am not aware of the extent of the publication of this article to which my friend has referred.

Mr. B. R. Puri : May I know if the Government's case is that the publication of an article of this nature never found its way in a province like Delhi ?

The Honourable Sir Joseph Bhole : Will my friend kindly repeat his question ?

Mr. B. R. Puri : May I know if the Government of India are in a position to assert that this newspaper article was not really published in Delhi ?

Mr. T. Sloan : Whether the *Daily Gazette* of Karachi reaches Delhi or not, I cannot say, but the article was substantially repeated in the *National Call* which, I understand, is published in Delhi.

Mr. K. C. Neogy : Was any action contemplated against the *National Call* by the Government of India ?

Mr. T. Sloan : No, Sir.

Mr. K. C. Neogy : Why not, Sir ?

Mr. T. Sloan : I want notice of that question.

Mr. Lalchand Navalrai : May I know, Sir, whether the Honourable the Leader of the House agrees with the reply given by the Home Secretary, because it appears to me that he is prejudicing the case by giving his opinion for the consideration of the Local Government ?

The Honourable Sir Joseph Bhore : My friend must not ask me for my opinion on the reply given by another Department of the Government of India.

Mr. Lalchand Navalrai : May I, therefore, know from the Joint Secretary of the Home Department himself whether any such expression has been ever used in the United Kingdom with regard to a child and whether the buttocks of any British people will be spanked ?

Mr. T. Sloan : If the Honourable gentleman had knowledge of United Kingdom, he would know that in many households there it is customary for the buttocks to be spanked.

Mr. Lalchand Navalrai : I will merely ask the Honourable Member to say whether the simile can be applied to a man of the position of Mahatma Gandhi ?

Mr. R. S. Sarma : In view of the fact that the Publicity Officer of the Government of India is in direct touch with newspapers all over the country, will Government be pleased to direct him to draw the attention of the editor of the *Daily Gazette* to this article and to ask him, if necessary, in a friendly manner, to refrain from writing any more articles of a provocative character ?

Mr. Lalchand Navalrai : And also to offer an apology ?

Mr. T. Sloan : The Honourable the Leader of the House has already undertaken to see that copies of the questions and answers on this subject be sent to the Bombay Government, and they will no doubt consider whether it is desirable or not to take the action suggested by the Honourable Member.

Mr. F. E. James : Will the Honourable Member inform the House as to whether it is not within the power of Mahatma Gandhi himself to take action under the law against the editor of this paper if he considers that this article transgresses the law of libel ?

Mr. T. Sloan : That, Sir, is a legal question, but I think if Mr. Gandhi was advised that he can take action, then there will be nothing to prevent him from taking action.

Mr. N. M. Joshi : May I ask, Sir, whether Government are absolved from their duty simply because a private person can take action under the law ?

The Honourable Sir Joseph Bhore : I think, Sir, I have already made the point abundantly clear. The point is, the Government of India do not propose to interfere directly in this matter, but they will bring all that has been said in this House to the attention of those who are directly responsible in this matter.

Mr. Gaya Prasad Singh : Will Government be pleased to see that the Honourable the Home Member is present, if necessary, so that the answers to questions relating to his Department may be more fully given than has been given by the Joint Secretary ?

Mr. Gaya Prasad Singh : Will Government kindly also see that the Home Member is present in this House so that answers to questions relating to his Department may be more fully given than has been done by the Honourable Member ?

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. The Honourable the Joint Secretary in the Home Department has already expressed on behalf of the Home Member his regret at his inability to be present here. The Home Member, as far as the Chair is aware, has never been absent when questions are asked. (Cheers.)

Mr. Gaya Prasad Singh : Does the Chair realise that the reply of the Honourable Member, the Joint Secretary in the Home Department, has been rather flippant to some of the questions asked by my Honourable friend, Mr. Lalchand Navalrai ? I never meant any reflection on the Home Member.

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order, The Chair is not concerned with the nature of the answer given by any Member of the Government. But the Chair is certainly concerned to see that every Member of Government shows courtesy to this House by being present in his place, when subjects relating to his Department are discussed, and the Chair has no reason to think that the Home Member has failed in his duty.

Mr. B. R. Puri : May I know if the Government of India are now disposed, in view of the most flagrantly indecent character of this attack upon a very revered gentleman, to transmit to the Government of Sind their strong condemnation of the article in question, and not merely to be content with despatching the question and answers which are being gone into in this matter this morning ?

The Honourable Sir Joseph Bhore : I cannot engage that the Government of India will commit themselves to any expression of opinion, and I regret that I am not in a position to go any further than I have gone this morning in the matter.

Mr. B. R. Puri : May I know if the Government of India are at all disposed to take legal opinion with reference to this article and

thus enable themselves to know that it is a most flagrant case coming under section 153-A of the Indian Penal Code and also under the Press Act ?

The Honourable Sir Joseph Bhore : So far as I am concerned and so far as I am in a position to speak for Government, Government do not propose to take the action suggested by my Honourable friend.

Mr. B. R. Puri : Why ?

Mr. K. C. Neogy : Why ?

Mr. Gaya Prasad Singh : It is because it is an Anglo-Indian paper that is concerned.

The Honourable Sir Joseph Bhore : Because I have explained more than half a dozen times to Honourable Members that the matter is within the direct competence of the Local Government and the Local Government must be left to take such steps as appear to them necessary.

Mr. B. R. Puri : Do the Government realise that it might put a premium on counter attacks of a similar kind ? (Hear, hear.)

Mr. N. M. Joshi : You will be sent to jail.

An Honourable Member : Blood is thicker than water.

The Honourable Sir Joseph Bhore : I am afraid that counter attacks already exist and I do not think they can be intensified by any action such as has been referred to.

Dr. Ziauddin 'Ahmad : In view of these questions that have been asked this morning, is it not desirable that Government should at least know whether this article did or did not come within the four corners of the law ? They can find it out from the Law Department.

The Honourable Sir Joseph Bhore : I really cannot go beyond what I have already said.

Sardar Sant Singh : May I know if it is the consistent policy of the Government of India not to interfere with local affairs, and, if so, may I know why terrorist outrages are condemned in this House ?

The Honourable Sir Joseph Bhore : I suggest that it hardly arises out of this question.

Sardar Sant Singh : It does arise in this way. When we are trying to put down terrorist outrages in the country, such inflammable material is supplied by the Anglo-Indian Press. Therefore, I say, if terrorist outrages are to be condemned in this House, and they are properly condemned, then such outrages on the part of Anglo-Indian papers must be taken notice of by the Government. May I know why the Government will not take notice of this ?

The Honourable Sir Joseph Bhore : I have already explained that it is perfectly open to this House to condemn an article such as that which is being discussed this morning. I have further explained that at the present moment Government will not do more than bring this

condemnation, as expressed by Honourable Members in this House, to the notice of the Local Government for their consideration. I regret that I am unable to say anything beyond what I have already stated.

Mr. H. P. Mody : If the Government of Bombay do not choose to take action in this matter, then, in view of the strong feeling exhibited in this House and outside, on account of this silly effusion, do the Government of India propose to call upon the Bombay Government for an explanation ?

The Honourable Sir Joseph Bhole : It is a purely hypothetical question.

Mr. H. P. Mody : It is not a hypothetical question. I want to know whether the Government of India propose to call upon the Bombay Government for an explanation in the event of the Bombay Government not taking any action ?

The Honourable Sir Joseph Bhole : It is obvious on the face of it.

Mr. H. P. Mody : What is obvious ?

The Honourable Sir Joseph Bhole : That it is hypothetical. If my Honourable friend will only take the trouble to consider his own question, he will realise it.

Sir Cowasji Jehangir : May I ask the Government one simple question ? Is it their policy to make any distinction between papers which may tend to cause a breach of the peace by attacks against the Government or against anybody else, the result being a breach of the peace in both cases ?

The Honourable Sir Joseph Bhole : As far as I know, it is not the policy of Government to make any distinction whatever.

Mr. B. Das : Are Government aware that their superintendence, direction and control over the Bombay Government has failed, and are they aware that the Bombay Government at the slightest pretext ask for heavy deposits from Indian edited papers, while they allow Anglo-Indian edited papers to go on creating racial hatred between Indians, Europeans and the British Government ?

The Honourable Sir Joseph Bhole : Government are not aware that their superintendence, direction and control had failed in any case.

Mr. B. Das : The reply of the Government does not indicate that.

Mr. A. Hoon : In view of the fact that the questions put by Mr. Mody are considered hypothetical by the Government, will Government be pleased to ask the Bombay Government at once why no action has so far been taken by them and why they have been sleeping over this matter ?

The Honourable Sir Joseph Bhole : I am not prepared to go beyond what I have indicated that the Government of India would do in this matter.

Mr. Vidya Sagar Pandya : Are you anxious and prepared for an adjournment motion on this matter ?

Some Honourable Members : There must be an adjournment motion on this tomorrow.

PROTECTION OF THE PRIVATE DAIRY INDUSTRY FROM THE UNFAIR
COMPETITION OF MILITARY DAIRIES.

788. ***Mr. Jagan Nath Aggarwal :** (a) Will Government be pleased to state whether in May last they received any representation from the private dairy owners of Simla and other places, complaining against the Government military dairies interfering with private dairy enterprise, by sending out their produce for sale outside the regimental lines ?

(b) Are Government aware that their representation received the full support of several leading newspapers and trades associations in India ?

(c) If the reply to part (a) above is in the affirmative, will Government kindly state whether they have taken, or propose to take, any action to redress the grievances embodied in the above representation, to protect the private dairy industry from the unfair competition of the military dairies ? If not, why not ?

Mr. G. R. F. Tottenham : (a) Yes.

(b) Government have only received one other representation on the subject from the Indian Merchants' Chamber, Bombay.

(c) The matter is at present under the consideration of Government.

Mr. Gaya Prasad Singh : Have Government received a representation sent by numerous owners of dairy farms protesting against the military dairy farm at Jutogh competing with private enterprise ?

Mr. G. R. F. Tottenham : Yes. I have said so in answer to part (a) of the question.

Mr. Gaya Prasad Singh : Is it a fact that large tracts of valuable land were granted to the military dairy farms free or on nominal value to help them for the sake of military necessity only ?

Mr. G. R. F. Tottenham : The dairy farms have been supplied with land, but not free. If the Honourable Member would read the answer that I gave to a question asked by my Honourable friend, Mr. Lalchand Navalrai, some days ago, he would find that the farms have to pay rent to Government on the market value of all land that was placed at their disposal.

Mr. Gaya Prasad Singh : Is it a fact that the Military Dairy Farm at Jutogh make purchases from some of the local *gowalas*, keep country buffaloes and take their milk and then supply it to the civil population outside the regimental areas ?

Mr. G. R. F. Tottenham : There is a further question on that point which is coming later.

Dr. Ziauddin Ahmad : If these are commercial concerns, will Government lay the balance sheets of these concerns before the House ?

Mr. G. R. F. Tottenham : I am perfectly prepared to do so. In fact, I think they were already laid before the Military Accounts Committee and the Public Accounts Committee.

Mr. Gaya Prasad Singh : Is it a fact that the Military Dairy Farm at Jutogh is working at a loss ?

Mr. G. R. F. Tottenham : Yes, it is working at a slight loss at present.

Mr. Gaya Prasad Singh : Is it a fact that Messrs. Edward Keventer, Ltd once offered in 1921, to undertake to supply the full requirements of dairy produce in Jutogh from their farm at Taradevi on same price, but that offer was refused ?

Mr. G. R. F. Tottenham : I have no information on that point, but probably that is so.

Mr. Gaya Prasad Singh : May I know why their offer was not accepted and the Military Dairy Farm has been allowed to compete with private enterprise, even though working at a loss ?

Mr. G. R. F. Tottenham : I do not admit that the Jutogh Dairy Farm does compete with private enterprise, but probably the reason why the offer of Messrs. Keventer and Co., was turned down was that the prices of their products were considerably higher than those of the Dairy Farm.

Mr. Gaya Prasad Singh : Is it a fact that the produce of the Jutogh Dairy Farm is only supplied to the officials of Simla, and not to the non-officials of the City ? If so, why this discrimination ?

Mr. G. R. F. Tottenham : That, Sir, is a fact. It is due to the policy of the Government of India which lays down that the surplus output of Government factories must be used in supplying other departments of Government and that the supply to private consumers should come last. Objections were raised to our supplying private consumers in Simla with these dairy products and in accordance with that policy, we prohibited the supply of the dairy products from Jutogh to other than officials in Simla.

Mr. Gaya Prasad Singh : Will Government kindly state why milk is purchased by the Military Farm at Jutogh from local *gowalas* and then sold to the civil population ?

Mr. G. R. F. Tottenham : As I have explained just now, there is another question on that subject coming along.

LEASING OUT OF MILITARY DAIRIES TO CONTRACTORS.

789. ***Mr. Jagan Nath Aggarwal :** (a) Is it a fact that Government Military Dairies were originally started to meet the requirements of the regimental ranks and families, but are now freely encroaching on the field of private trade ?

(b) Did Government issue any subsequent orders governing the sale of dairy produce from Government Military Dairies to residents outside the regimental areas, and if so, what are those orders ?

(c) Is it a fact that the bread loaves manufactured at the Government Military Bakeries are not so freely offered for sale to the general public as the produce of the Government Military Dairies ?

(d) Is it also a fact that the local military authorities do not generally allow any private dairyman to do any dairy business inside the regimental areas, where a Government Military Dairy exists ?

(e) Will Government kindly state how they justify the existence of these Government Military Dairies ? Is it a fact that all other food

requirements for the army are supplied by approved regimental contractors ?

(f) Are Government prepared to consider the advisability of leasing out the present Military Dairies to qualified contractors ?

Mr. G. R. F. Tottenham : (a) and (b). Military Dairies are intended to supply pure dairy products to troops, Army Departments and establishments in peace and war. They have no desire to encroach on the field of private trade, but as the military demand which they have to meet fluctuates considerably and as it is desirable that they should work as economically as possible, they have been permitted for many years to sell surplus produce, when available, at remunerative rates to non-military government officials and their families and also except in Simla to the public.

(c) Yes.

(d) In those Cantonments in which Government Military Dairies have been established, British soldiers are not permitted to purchase dairy produce from other sources. The prohibition does not extend, however, to soldiers' families or to Indian soldiers.

(e) and (f). In the opinion of Government, Military Dairies must continue for many years to come in order to meet war requirements, and any reduction of their number in peace will be impossible until private firms demonstrate that they are able to supply dairy products of the required standard. The contractor system has not proved satisfactory in those cantonments in which it has been tried.

Mr. Jagan Nath Aggarwal : Do I understand that even in Simla, the military requirements cannot be met from private agencies ?

Mr. G. R. F. Tottenham : That is a question which I shall look into. I suppose it might be possible to get supplies, but not at the prices charged by the Military Dairy Farm.

Mr. Gaya Prasad Singh : Has the attention of the Government been drawn to their own order, dated Simla, the 22nd April, 1932, which runs as follows :

“ Though Government dairies are only intended for the supply of produce to troops, Army Departments and establishments, and are not to embark in private trade, as this prohibition falls heavily on non-military Government officials and their families desirous of obtaining supplies when the same are available, it has been decided that where any surplus exists at a dairy it may be issued to civilians provided it can be sold at remunerative rates.

Mr. G. R. F. Tottenham : Yes, Sir.

Mr. Gaya Prasad Singh : May I know as stated in this order, it is only the surplus that should be sold to the civil population ? Why should the Military Dairy Farm at Jutogh purchase milk from local *gowalas* and then sell it to the civil population ?

Mr. G. R. F. Tottenham : I have already said that there is another question on that subject.

Mr. Jagan Nath Aggarwal : I should like to know definitely—is it quality or is it economy that is at the basis of this military dairy ?

Mr. G. R. F. Tottenham : Both.

Mr. Lalchand Navalrai : Why should not this produce be made self-sufficient for the military ? Why should there be a surplus ?

Mr. G. R. F. Tottenham : As I have already explained, the military demand fluctuates considerably from time to time and it is impossible to say that the military demand is any fixed figure.

Mr. Gaya Prasad Singh : With regard to the answer of the Honourable the Army Secretary as to the quality of the milk produced, has his attention been drawn to this portion of the representation of the dairy farms at Simla, in which it is stated that the military dairies have been "compelled to keep a good many country buffaloes of some contractor in their farm for purchases of milk, and, to break the gravity of the buffaloes milk, they take out a certain percentage of cream from this milk and then offer this milk for supply and also purchase cream from outsiders to make butter for their supply."

Mr. G. R. F. Tottenham : That is not true.

Mr. Gaya Prasad Singh : Is this the quality of the milk to which you referred—cheating the public ?

PROTECTION OF THE PRIVATE DAIRY INDUSTRY FROM THE UNFAIR COMPETITION OF MILITARY DAIRIES.

790. **Mr. Jagan Nath Aggarwal :** (a) Are Government aware that during the last few years many educated young men have qualified in the dairy industry at the various Government institutions, but they have no scope to develop the dairy business in view of the Government Military Dairies coming in the field to cut out private enterprise by their competition ?

(b) Is it not a fact that the private dairy enterprises alone meet the requirements of the military residents where a Government Military Dairy does not exist ?

(c) Are Government aware that several private dairies possess credentials and warrants of appointments for good services, from the highest civil and military officers ?

(d) Are Government also aware that even the Government Military Dairies regularly purchase a considerable amount of cream from the contractors for making butter, and also employ local *ghos's* and hire their cattle for purchase of milk at their farms to cope with their increasing demand ?

(e) Are Government prepared to issue necessary instructions for the Government Military Dairies to restrict their activities within the regimental areas, in the interests of safeguarding the private dairy industry ?

Mr. G. R. F. Tottenham : (a) Government are aware that a certain number of young men obtain the Indian Diploma of Dairying issued by the Imperial Institute of Animal Husbandry and Dairying at Bangalore. The scope for private enterprise outside the radius served by Government Military Dairies is enormous.

(b) There are several cantonments in which the troops depend either on cantonment dairies, or regimental dairies or on private enterprise.

(c) I am prepared to accept the Honourable Member's assurance on this point.

(d) Large amounts of cream are purchased and pasteurized for the manufacture of butter, but very little milk or cream is purchased for direct supply as milk or cream. In exceptional cases cattle are hired to meet urgent unforeseen demands, but these cattle are kept, fed and milked on Military Dairy Farm premises, and as far as possible, the milk obtained from them is used to feed the calves of the Military Dairy herd and not for direct supply to consumers. Milk is not purchased simply to meet demands from the non-military public.

(e) The matter is at present under consideration.

Mr. Jagan Nath Aggarwal : Do the Government realise that it is part of their duty to encourage private dairy farms as well ?

Mr. G. R. F. Tottenham : Certainly.

Mr. Jagan Nath Aggarwal : May I know what has been done in that connection during recent years outside military areas ?

Mr. G. R. F. Tottenham : I should like to have notice of that question.

Mr. Gaya Prasad Singh : Considering the complaints from the representatives of private dairy farms on this point and the complaints expressed on the floor of the House, will the Honourable the Army Secretary be pleased to consider the question of either limiting the supply of the Jutogh Military Dairy Farm only to regimental areas or to close up the Jutogh Dairy Farm altogether, if it is working at a slight loss ?

Mr. G. R. F. Tottenham : I have already said in reply to this question that Government are considering that matter already, and, in considering it, they will take into account the views that have been expressed by Honourable Members this morning.

Mr. M. Maswood Ahmad : Is it a fact that all such dairies are running at a loss ?

Mr. G. R. F. Tottenham : No, Sir.

Mr. M. Maswood Ahmad : Will Government state whether there is any dairy which does not run at a loss ?

Mr. G. R. F. Tottenham : Will the Honourable Member wait till I answer the next question ?

PROFIT AND LOSS OF THE GOVERNMENT MILITARY DAIRIES.

791. ***Mr. Jagan Nath Aggarwal :** (a) Will Government be pleased to lay on the table a statement showing the figures of the total net yearly profit and loss incurred by the Government military dairies during the last five years ?

(b) Will Government be pleased to state what amount, if any, has been written off from their accounts since the Government military dairies started ?

(c) Will Government kindly state the total quantity of butter, cream and milk sold by military dairies, during the year ending 31st March, 1933, showing what percentage of the same was obtained from Government owned cattle and how much from purchased stuff ?

(d) What is the average specific gravity, fat percentage and other specifications allowed in the saleable dairy products of Government military dairies ?

Mr. G. R. F. Tottenham : (a) In 1928-29 the net profit amounted to Rs. 48,620 ; in 1929-30 to Rs. 1,00,835 ; in 1930-31 to Rs. 71,893 ; in 1931-32 to Rs. 1,17,181 ; and in 1932-33 to Rs. 83,563.

(b) Owing to abnormal prices and purchases during the Great War, the Military Dairy Farms became overburdened with Capital. With a view to working the farms on a sound commercial basis their capital assets were revalued by a committee in 1925, and the revaluation resulted in a reduction of Rs. 12,74,608 which was written off in the accounts of the year 1924-25. Working losses sustained up to 1924-25 were also written off to the extent of Rs. 42,71,922. Since 1924-25 no amount has been written off.

(c) The total quantity of milk, butter and cream sold by Military Dairies in India during the year ending the 31st March, 1933, amounted to :—

		lbs.
Milk	..	1,15,96 380
Butter	.. ..	9,28 267
Cream	.. ..	1,31,106

Information regarding the percentage referred to at the end of the question is not readily available, but probably over half the butter was made from purchased cream while well under 1 per cent. of the milk and none of the cream was purchased in the open market.

(d) The milk specification is as follows :

	Per cent.
Butter Fat	3.7
Solids other than fat not less than ..	25

Butter has to contain :—
Not more than 16 per cent. of water and 3 per cent. of salt.

UNSTARRED QUESTIONS AND ANSWERS.

DEFECTS IN CERTAIN QUARTERS OF LAKE AND CLIVE SQUARES IN NEW DELHI.

33. Mr. M. Maswood Ahmad : Will Government be pleased to state :

(a) whether the Eastern wings of the quarters of Lake and Clive Squares in New Delhi are of old type and have many defects, for instance, (i) there are only two bed-rooms ; (ii) smoke-chimney is very defective ; (iii) the existing inner court-yard exposes the inmates to the blasting sun during the summer ; (iv) there are no windows in the bath room and the kitchen godown ; (v) the downpour of rain from the gutters comes into the honeycombs of the kitchen godown and the bath room, etc. ;

(b) whether budget provision was made to alter these quarters and those in the Hastings Square but the work was stopped after the quarters in the Hastings Square were so altered ?

- (c) whether the majority of the inhabitants of the quarters in the Lake and Clive Squares live throughout the year while those of the Hastings Square are migratory and Government do not charge any rent from the latter ;
- (d) whether the inhabitants of the Lake Square quarters represented the difficulties more than once but no measures have been adopted to carry out the alterations ;
- (e) if the reply to the above parts be in the affirmative, the reasons which led to the differential treatment being meted out to the occupants of these squares and whether the difficulties of the occupants are proposed to be removed without delay by carrying out the necessary alterations ? If not, why not ?

The Honourable Sir Frank Noyce : (a) Yes ; the quarters referred to are of an old type. The replies to the different parts of the question are :

- (i) Yes.
- (ii) No.
- (iii) No. The courtyard is designed to provide light, ventilation and air.
- (iv) There are no windows but brick honeycomb openings, *i.e.*, *jalis*, are provided
- (v) Ordinarily, this does not happen.

(b) No budget provision was made for any alterations to the quarters in Lake and Clive Squares, while the cost of alterations to the quarters in Hastings Square was met by reappropriation.

(c) Yes. The quarters in Hastings Square are occupied by the members of His Excellency the Viceroy's staff who are both migratory and non-migratory and are entitled to occupy them free of rent.

(d) and (e). Representations have been received from the occupants of similar type of quarters in other squares, but the additions and alterations could not be carried out on account of financial stringency.

STOPPAGE OF EXPRESS TRAINS AT KHATAULI, NORTH WESTERN RAILWAY.

34. Mr. Jagan Nath Aggarwal : (1) Will Government be pleased to state whether the Up Bombay Express No. 57 and Down Express No. 58 do not stop at Khatauli on the North-Western Railway, which is nearly midway between Muzaffarnagar and Meerut Cantonment ?

(2) Is it a fact that Khatauli has a much larger population—8 or 9 times the population of Mansurpur and Daurala where these trains stop—and is also commercially more important and also the nearest Railway Station to the Tahsil headquarters at Janseth ?

(3) Are there any special reasons why the Bombay Express trains should stop at those stations and not at Khatauli and will Government please state the reasons ?

(4) Is it a fact that a big sugar mill is also being erected at Khatauli and will Government please give the figures for the goods and passenger

traffic on this station from 1st April to 15th August, 1933, as also the figures for Mansurpur and Daurala Stations for the same period and also for the corresponding period in 1932 ?

(5) Are Government prepared to consider the advisability of asking the North Western Railway Administration to arrange the stoppage of the Express at Khatauli ?

Mr. P. R. Rau : (1) Yes.

(2) to (4). Government have no information.

(5) I am sending a copy of the question to the Agent, North Western Railway, for considering the suggestion made by the Honourable Member.

INDIAN POSTS AND TELEGRAPHS EMPLOYEES' MUTUAL RELIEF FUND, LAHORE.

35. Mr. S. C. Mitra : (a) Will Government be pleased to state whether they are aware of the fact that in Lahore there is a fund named Indian Posts and Telegraphs Employees' Mutual Relief Fund ?

(b) Are Government aware that Mr Jamita Ram, Assistant Post-master, Lahore General Post Office, is the General Secretary of the Fund ?

(c) If the reply to parts (a) and (b) be in the negative, will Government be pleased to call for a copy of the Rules and Regulations of the Fund from Mr. Jamita Ram ?

(d) Is it a fact that the Fund is not registered ?

(e) If not, do Government propose to take necessary steps to see that this Fund which has got many members from amongst the postal employees, is registered without delay ?

(f) Are Government prepared to refer the rules and regulations of this Fund to the Government Actuaries in order to examine whether the Fund is being managed on a sound basis ?

(g) Will Government please further state whether they raised any objection to such a fund being managed without being registered ? Are Government aware that it is very necessary in the interest of the members ?

The Honourable Sir Frank Noyce : (a) and (b). The reply is in the affirmative.

(c), (d), (e) and (f). The Fund is a private one in the management of which Government are not concerned. It is not registered in the office of the Registrar, Co-operative Societies. Government see no reason to take any action as suggested by the Honourable Member.

(g) As already explained, Government have nothing to do with the Fund which is a private concern.

GRIEVANCES OF MUSLIMS AGAINST THE MEDICAL DEPARTMENT OF THE NORTH WESTERN RAILWAY.

36. Seth Haji Abdoola Haroon : (a) Have the various articles and editorial notes published in the :

(i) *Eastern Times* of Lahore, dated the 30th June, 12th July, 18th July and 22nd August, 1933,

(u) *Weekly Mail* of Lahore, dated the 3rd July, 10th July, 17th July, 7th August and 21st August, 1933, and

(u) *Pilot* of Amritsar, dated the 9th July,

regarding the Medical Department of the North Western Railway, come to the notice of Government, and have any steps been taken to verify the allegations contained therein? If so, with what result?

(b) Do Government intend to appoint an impartial enquiry committee to enquire into the serious allegations contained therein?

(c) What other action do Government propose to take to redress the grievances and right the wrongs done to Mussalmans as alleged in the articles referred to above?

Mr. P. R. Rau : (a) Government have seen some of the articles referred to.

(b) and (c). I have sent a copy of these questions together with the copies of the papers in the possession of Government to the Agent, North Western Railway, for such action as he may consider necessary.

COMMUNAL COMPOSITION OF DISTRICT MEDICAL OFFICERS ON STATE RAILWAYS.

37. **Seth Haji Abdoola Haroon :** (a) Will Government be pleased to state the communal composition of the District Medical Officers on State Railways, and particularly on the North Western Railway?

(b) Is it a fact that it is proposed to appoint some District Medical Officers in the near future? If so, will Government please state if, in order to bring up the representation of Mussalmans to an adequate level, only Mussalmans will be recruited for some time?

Mr. P. R. Rau : (a) On all State-managed Railways taken together, the total number of officers in the superior service of the Medical Department is 39. Of these, 13 are Europeans, one Anglo-Indian, sixteen Hindus, three Muslims, two Sikhs, and three belong to other communities.

On the North Western Railway, the total number is 4, of whom one is a European, one a Hindu, one a Muslim and one a Sikh.

(b) The question of recruiting some District Medical Officers for the North Western Railway is at present under consideration. In such recruitment, Government will follow the policy laid down to prevent undue preponderance of any one class or community.

COMMUNAL COMPOSITION OF THE STAFF IN THE OFFICE OF THE CHIEF MEDICAL AND HEALTH OFFICER, NORTH WESTERN RAILWAY.

38. **Seth Haji Abdoola Haroon :** (a) Will Government be pleased to lay on the table a statement giving the communal composition, by grades, of staff in the office of the Chief Medical and Health Officer, North Western Railway, Lahore, as well as giving by communities the number and grades of District Medical Officers, Assistant Surgeons, Sub-Assistant Surgeons and Dispensers on the North Western Railway, showing separately the Brahmin and non-Brahmin Hindus?

(b) Do Government realise that the representation of Muslims in almost every category and grade is very meagre ? If so, will Government please state the special reasons to which this could be attributed ?

(c) Is it a fact that there is a large number of Brahmin, as against non-Brahmin, Hindus ? If so, to what special reason, if any, do Government attribute this difference ?

(d) Will Government be pleased to state the number of vacancies that occurred in the above grades and categories in 1933 and the communal composition of staff recruited ?

(e) Were the standing orders of Government in regard to maintaining, or bringing up to an adequate level, the communal balance in the services duly observed ? If not, what action do Government propose to take against the persons concerned ?

Mr. P. R. Rau : (a) Government regret that they are not prepared to supplement with figures for particular classes of posts the information in regard to communal representation in Railway Services given in the annual Administration Report on Indian Railways.

(b), (c), (d) and (e). I am making enquiries on the points raised by the Honourable Member.

GRANT OF ENHANCED SALARIES TO HINDU ASSISTANT SURGEONS WITH ENGLISH QUALIFICATIONS.

39. **Seth Haji Abdoola Haroon :** (a) Is it a fact that Hindu Assistant Surgeons with English qualifications have been given enhanced salaries whereas similarly qualified Muslims were only offered the minimum pay of the grade, which resulted in the non-acceptance of the offers by the latter ?

(b) If so, will Government please state the reasons for the differential treatment being meted out to them as against Mussalmans ?

Mr. P. R. Rau : I have called for the necessary information and will place a reply on the table in due course.

REPRESENTATION OF MUSLIMS IN THE ESTABLISHMENT BRANCH OF THE OFFICE OF THE CHIEF MEDICAL OFFICER, NORTH WESTERN RAILWAY.

40. **Seth Haji Abdoola Haroon :** (a) Is it a fact that all the Muslim clerks formerly working in the Establishment Branch of the Chief Medical Officer's office, North Western Railway, Lahore, have either been dismissed, transferred to other departments altogether, or put to work on unimportant duties in other branches, and far junior Hindu clerks have been put to work in their places, to the entire exclusion of Muslim element from the Establishment Branch ?

(b) Is this policy of weeding out Mussalmans from the Establishment Branches in accordance with the recommendations contained in the Hassan Report ? If not, what action do Government propose to take to ensure adequate representation of Mussalmans in this branch ?

Mr. P. R. Rau : Government have no information, but are enquiring into the matter.

COMMUNAL COMPOSITION OF CLERKS IN THE MEDICAL DEPARTMENT, NORTH WESTERN RAILWAY.

41. Seth Haji Abdoola Haroon : (a) Will Government be pleased to state the total number of clerks by communities employed in the Medical Department, North Western Railway, in 1928 and in 1933, showing separately the number by communities at the Head Office, Lahore, and sub-offices at out-stations, and specifying those permanent or temporary ?

(b) Is it a fact that the number of Muslims in the Chief Medical Officer's office is progressively decreasing, and is it the intention of the authorities concerned to weed out the Muslim element from this office ?

Mr. P. R. Rau : (a) The available information is contained in Mr. Hassan's report, copies of which are in the Library.

(b) Government have no information as to the exact position in this particular office, but I can assure the Honourable Member that it is not the intention of Government to weed out any community from any office. A copy of this question and the answer given has been sent to the Agent, North Western Railway, for any action necessary.

VICTIMISATION OF MUSLIMS IN THE OFFICE OF THE CHIEF MEDICAL OFFICER, NORTH WESTERN RAILWAY.

42 Seth Haji Abdoola Haroon : (a) Is it a fact that all the Hindu permanent clerks in the Chief Medical Officer's office have been given one, two and even three out of the way and accelerated grade promotions as for example :

- (i) Pt. Ram Rakha, from Grade II to Grade V, *in about three years* ;
- (ii) Pt. Suraj Prakash, from Grade I to Grade II, *in barely seven days* ;
- (iii) L. Roshan Lal, from Grade III to Grade V, and for some time officiating in Grade VI, *in about two years* ;
- (iv) S. Dharam Singh, from Grade I to Grade III, *within a year*, etc., etc. ?

(b) Is it also a fact that in contra-distinction to part (a) above, there is ~~not~~ a single Muslim clerk in the Chief Medical Officer's office, who has not at one time or other in his service been either reverted to a lower grade, demoted or superseded by a junior non-Muslim or had his promotion stopped for alleged irregularities ?

(c) Are Government aware that the Office Superintendent gets the Hindu Head Clerks to write out, or some times even dictates to them himself, reports against their Muslim subordinates in order to make these the basis of their victimisation at a future date ?

(d) Is it a fact that L. Ram Narain, formerly Head Clerk of the Medical Section of the Chief Medical Officer's office, particularly mentioned that he had been, against the dictates of his conscience, forced to write an

adverse report against a Muslim clerk working under him, which was subsequently made the basis of the latter's chastisement ?

(e) If replies to parts (b), (c) and (d) above be in the affirmative, do Government agree that the communalistic tendencies of the Office Superintendent and his Hindu upper subordinates are responsible for the victimisation of Muslims ? If so, what action do Government propose to take in the matter ?

Mr. P. R. Rau : Government have no information, but are enquiring into the matter.

DISMISSAL OF ONE B. GHULAM MUHAMMAD, A CLERK IN THE OFFICE OF THE CHIEF MEDICAL OFFICER, NORTH WESTERN RAILWAY.

43. **Seth Haji Abdoola Haroon :** (a) Is it a fact that B. Ghulam Muhammad, a clerk in the Chief Medical Officer's office, was dismissed for delaying disposal of certain letters and travelling allowance bills ?

(b) Is it a fact that disposal of certain letters and travelling allowance bills was similarly delayed by a temporary Hindu clerk, but he was lightly let off ?

(c) Is it a fact that a relative of the Office Superintendent also delayed disposal of certain important letters while working under the Medical Officer, Multan, who strongly reported the matter against him, but no other action beyond that of transferring the clerk concerned under the protection of the Office Superintendent himself was taken against him ?

(d) If the replies to parts (a), (b) and (c) above, be in the affirmative, will Government please state the reasons for this differential treatment ?

Mr. P. R. Rau : Government have no information but I have sent a copy of the question to the Agent, North Western Railway, for any action necessary.

DEPUTATION OF A MEDICAL MAN FOR A CLERICAL JOB IN THE OFFICE OF THE MEDICAL OFFICER, LAHORE.

44. **Seth Haji Abdoola Haroon :** (a) Is it a fact that a Sub-Assistant Surgeon is working merely as a clerk in the office of the Medical Officer, Lahore ? If so,

(i) what is the reason for deputing a medical man for a clerical job and consequently having to pay him a higher salary than that paid to a clerk ; and

(ii) are Government prepared in the interest of economy to replace him by an ordinary clerk ? If not, will Government please state the nature of any medical work actually done by him during the last year ?

(b) Is it a fact that this Sub-Assistant Surgeon is being paid Rs. 25 as consolidated conveyance allowance for his supposed visits to the Mayo Gardens to attend to servants of officers ? If so, will Government please state the number of any such visits actually paid by him ?

(c) Are Government prepared to consider the advisability of discontinuing or drastically cutting down this allowance if it is found that

no such visits are or have ever been paid, or that the number of the visits is meagre ?

Mr. P. R. Rau : I have called for the necessary information and will place a reply on the table in due course.

MISUSE OF PRIVILEGE PASSES BY CERTAIN EMPLOYEES OF THE NORTH WESTERN RAILWAY.

45. Seth Haji Abdoola Haroon : (a) Is it a fact that the Office Superintendent, Chief Medical Officer's office, North Western Railway, admittedly misused a Privilege Pass issued in his favour, but was lightly let off, although according to clear Pass rules he should have been summarily dismissed or at least severely punished ?

(b) Is it a fact that for similar offences Mr. B. K. Sood, Assistant Controller of Stores, and Mr. Ashwood, Office Superintendent, Divisional Superintendent's Office, Delhi, were summarily dismissed ?

(c) If the replies to parts (a) and (b) be in the affirmative, will Government please state the reasons for the differential treatment ?

Mr. P. R. Rau : I am making enquiries and I shall lay a reply on the table in due course.

COMMUNAL COMPOSITION OF THE STAFF RECRUITED BY THE CHIEF MEDICAL OFFICER, NORTH WESTERN RAILWAY.

46. Mr. M. Maswood Ahmad : Will Government be pleased to state the number of vacancies that were filled by the Chief Medical Officer, North-Western Railway, in 1933, and what was the communal composition of the staff recruited and the source from which they were recruited ?

Mr. P. R. Rau : I am making enquiries and I shall lay a reply on the table in due course.

SUPERSESSIONS ON THE NORTH WESTERN RAILWAY.

47. Mr. M. Maswood Ahmad : (a) Is it a fact that the Agent, North Western Railway, vide his letter No. E.C.188-W. (Con.), dated the 29th March, 1933, admitted certain supersessions and ordered redressal of the same at an early date ?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state what action has been taken to give effect to these orders of the Agent, by the respective Heads of Department ?

Mr. P. R. Rau : Government have no information.

MUSLIM SUB-ASSISTANT SURGEONS AND ASSISTANT SURGEONS ON THE EAST INDIAN RAILWAY.

48. Mr. M. Maswood Ahmad : Will Government be pleased to state the number of Muslim Sub-Assistant Surgeons and Assistant Surgeons on the East Indian Railway ?

Mr. P. R. Rau : There are seven Muslim Sub-Assistant Surgeons and one Assistant Surgeon on the East Indian Railway.

RECRUITMENT OF MUSLIM EMPLOYEES IN THE GOVERNMENT FORMS PRESS,
ALIGARH.

49. **Kunwar Hajee Ismail Ali Khan :** (a) Is it a fact that the Government have fixed a ratio for the recruitment of the Muslim employees in the Government Forms Press, Aligarh ?

(b) When was that order enforced ? What is the present representation of Muslim employees in the Government Forms Press, Aligarh, in the clerical branch ?

(c) How many Muslims against Hindus have been employed in the clerical branch in the above Press since that order was enforced ?

(d) Are Government aware that Muslim claims have been ignored with regard to the representations in the Press ?

(e) Do Government propose to issue instructions to the Manager, Government Forms Press, to redress their grievances ?

The Honourable Sir Frank Noyce : (a) and (d). No.

(b) No such order was given ? Seven posts in the clerical branch were held by Muslims in 1932 which is the latest year for which I have information.

(c) and (e). Do not arise.

INCOME OF THE ACCOUNTANT, GOVERNMENT FORMS PRESS, ALIGARH.

50. **Kunwar Hajee Ismail Ali Khan :** (a) What is the present pay of B. Bhawani Charan, Accountant, in the Government Forms Press, Aligarh ?

(b) Are Government aware that he runs a press and makes Government press employees work in his press free of all charges ?

The Honourable Sir Frank Noyce : (a) The present pay of the Accountant in the Aligarh Press is Rs. 110.

(b) Government have no information, but the Controller is being asked to make enquiries.

CONTRACTS FOR BUILDING AND SUPPLYING GOODS, ETC., IN THE
GOVERNMENT FORMS PRESS, ALIGARH.

51. **Kunwar Hajee Ismail Ali Khan :** (a) Is it a fact that contracts for building and supplying goods and waste paper are always held by Hindus in the Aligarh Government Forms Press ?

(b) Is it a fact that the tenders are not invited by the Manager, and applications submitted by Muhammadan contractors for considering their rates are turned down ?

The Honourable Sir Frank Noyce : (a) and (b). The answer is in the negative.

ALLEGATIONS AGAINST THE HEAD CLERK, GOVERNMENT FORMS PRESS,
ALIGARH.

52. **Kunwar Hajee Ismail Ali Khan :** (a) Is it a fact that the Head Clerk, Government Forms Press, Aligarh, owns a press at Simla which is called the Victoria Press ?

(b) Do Government permit their servants to carry on private business ?

(c) How many months leave has the Head Clerk taken since he was posted at Aligarh ?

(d) Are Government aware that the leave availed of by him was utilised in looking after his private press ?

(e) Are Government aware that the Head Clerk is not in a good financial condition ?

(f) Is it a fact that he has borrowed a large sum of money from one of his subordinate's relations, named Misri Lal contractor in Aligarh workshop ?

(g) Do Government encourage such dealings ? If not, do Government propose to order an inquiry and take necessary action against him ?

The Honourable Sir Frank Noyce : (a), (c) and (d). I am not in possession of the facts but shall make inquiries.

(b) and (e). No.

(f) Government have no information.

(g) The answer to the first part is in the negative and to the second part in the affirmative.

DIM-LIT STREETS OF NEW DELHI.

53. **Mr. S. C. Mitra :** (a) Has the attention of Government been drawn to the letter which appeared in the *Hindustan Times* of the 2nd July, 1933, under the caption "Dim-lit Streets of New Delhi" ?

(b) If so, do Government propose to inquire into the matter and to remove the grievance complained of ?

Mr. G. S. Bajpai : (a) Yes.

(b) No reduction in the usual summer scale of lighting has been made this year. The lighting of roads in New Delhi is reduced every summer on grounds of economy and because it is considered that at that season, when the traffic and population of the area are reduced to a minimum, there is no need for the illumination on the scale required in the winter months. The summer scale of road lighting is under consideration and such improvements as may be found possible will be effected.

INSANITARY CONDITIONS NEAR SAMRU PLACE AND LUMSDEN SQUARE, NEW DELHI.

54. **Mr. S. C. Mitra :** (a) Will Government please refer to the reply given on 8th March, 1933, to my unstarred question No. 60 regarding insanitary conditions near Samru Place and Lumsden Square, New Delhi and say whether "suitable action" has been taken in the matter ?

(b) If the reply to part (a) be in the affirmative, will Government be pleased to state the nature of the action taken ?

Mr. G. S. Bajpai : (a) Yes.

(b) The *gwallas* who were responsible for the insanitary conditions were prosecuted and this has had satisfactory results.

MOTION FOR ADJOURNMENT.

EXPULSION ORDER PASSED BY THE COMMISSIONER ON SOME RESIDENTS OF PHULRA STATE.

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order : I have received a notice from Maulvi Muhammad Shafee Daoodi that he proposes to ask for leave to make a motion for the adjournment of the business of the House today for the purpose of discussing definite matter of urgent public importance as follows :

“ The expulsion order passed by the Commissioner on or about the 5th instant on some residents of Phulra State within seven days from the order.”

Before I ask if any Honourable Member has any objection to this motion, I must point out that my attention has been drawn to the Notification of the Government of India, No. 498-F., dated the 5th September, 1933. This Notification relates to the territory in the North-West Frontier Province known as Upper Tanawal. I have to ask from the Political Secretary whether the Phulra State referred to in this motion is within the territory of Upper Tanawal ?

Mr. B. J. Glancy (Political Secretary) : Yes, Sir, it is.

Mr. President (The Honourable Sir Shanmukham Chetty) : On the 5th September, 1933, the Government of India in the Foreign Department have issued a Notification to this effect :

“ In exercise of the powers conferred by sub-section (2) of section 52A of the Government of India Act, the Governor General in Council is pleased to declare the territory in the North-West Frontier Province known as Upper Tanawal to be a backward tract, and is further pleased, with the sanction of His Majesty which has been signified by the Secretary of State for India in Council, to direct that the said Act in its application to the said territory shall be subject to the exceptions and modifications specified in the Schedule hereto annexed.”

The relevant portion of the Schedule with which we are concerned is paragraph 3 of the Schedule which runs as follows :

“ In lieu of the provisions of the said Act (i.e., the Government of India Act), which enable rules to be made for prohibiting or regulating in either chamber of the Indian Legislature the asking of questions on, and the discussion of, any subject specified in the rules, there shall be substituted a provision prohibiting the asking of questions on, and the discussion of, any subject relating to this territory.”

Now, in the light of this Notification, I would like to know from the Honourable the Mover how is his motion in order ?

Maulvi Muhammad Shafee Daoodi (Tirhut Division : Muhammadan) : Sir, I received the telegram on the 5th September, and, I believe, on the 6th, I gave notice of a short notice question to the Secretary of this House. I wanted to know what the real facts about this case were. I was told that the Member in charge was not prepared to accept the short notice and that my question would be answered in the normal course of the business of the House. I thought that the seven days will expire before the turn of the question came and, therefore, I could not do anything else except to put in an adjournment motion, so that the Government may be compelled to express their views on the point and give us the information available. Now, I find that they have placed before you, Sir, a Notification of the Government of India, dated the 5th September which was certainly in their possession on that day. So, they treated us very badly by not telling us directly on that very day that there

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was a Notification of that description and that, under that Notification, orders have been passed by the Commissioner. If they have got the discretion in refusing to take notice of a short notice question, they should not exercise it in accordance with their whims. They must proceed in a reasonable manner. If they had told us the facts they have now brought to your notice, I would have considered the matter and taken some other course of action. But, as it is, I repeat that I have been treated very badly by the Honourable Member in charge of the Department. I wanted to move the adjournment of the House, because the Member in charge had used the discretion in a manner which is not worthy of the House. I was told by the Secretary that I could not do it and, therefore, I had to frame my motion for adjournment in that form.

Mr. President (The Honourable Sir Shanmukham Chetty) : I want to know from the Honourable Member what he has to say in the light of the Notification that I have read out as to the admissibility of his motion. With regard to the observations which the Honourable the Mover has made as to the refusal of the Political Secretary to answer the short notice question, I propose to ask him to make any observations he may choose to make.

Mr. B. J. Glancy : May I say, Sir, that at the time when notice was given, this Notification had not been brought to my attention. All that I asked for was time to study the case so that, if the question was allowed, it might be properly answered.

Maulvi Muhammad Shafee Daoodi : It is not that the time was asked by the Honourable Member, but he said that he would not accept notice of a short notice question. If it had been a question of time, that would have been a different matter altogether.

Mr. President (The Honourable Sir Shanmukham Chetty) : Whatever it is, in the light of this Notification, even the short notice question of the Honourable Member would be out of order, because this Notification, read with the existing rules, debars this Assembly's jurisdiction from asking any question or moving any Resolutions relating to that territory.

Maulvi Muhammad Shafee Daoodi : Now that the Notification has been read out to the House, I shall have to consider over the matter and take steps that I may think necessary in the matter.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member, therefore, does not adduce any argument to show that his motion is in order in the light of this Notification. Therefore, in the light of the Notification that has just been read to the House by me read with Rule 23 and Rule 12 (5), I rule that the adjournment motion is not in order.

STATEMENTS LAID ON THE TABLE.

Mr. G. R. F. Tottenham (Army Secretary) : Sir, I lay on the table the information promised in reply to starred questions Nos. 628 to 632 asked by Bhai Parma Nand on the 3rd March, 1933.

PAY OF CLERKS OF THE INDIAN ARMY SERVICE CORPS.

* 625. (a) Yes.

(b) (i) and (ii). Yes.

(iii) The maximum pay of Rs. 375 can be earned only by those who are appointed or promoted to the Upper Division before they are 31 years of age.

PAY OF CLERKS OF THE INDIAN ARMY SERVICE CORPS.

629. (a) (i). Yes, but the increase of Rs. 60 was sanctioned only as a temporary measure on account of the increase in the cost of living.

(ii) Only two cases can be recalled in which a clerk reached a position entitling him to pay and allowances at the rate of Rs. 360 a month.

(iii) No option was given, but clerks whose pay on the 1st September, 1923 (inclusive of the temporary increase in pay and local allowance) exceeded the emoluments admissible under the new scale, were granted the difference as a personal allowance which was absorbed in subsequent increments.

(iv) Yes. On the introduction of the revised rates of pay in 1923, all local allowances, except those in Burma, Aden and Gilgit, and all officiating allowances, were discontinued.

(b) The maximum pay admissible under the old rates was Rs. 300 a month, whereas the maximum now is Rs. 375. The new scale of pay as a whole is more attractive inasmuch as Upper Division clerks are now eligible for annual increments of Rs. 10 until they reach the Rs. 325 stage and thereafter biennial increments of Rs. 25, whereas under the old rates the increments were much smaller and only head assistants were allowed increments of Rs. 10. The minimum of the present time-scale of pay is also higher than that of the old scale.

PAY OF CLERKS OF THE INDIAN ARMY SERVICE CORPS.

* 630. (a) and (b). Government are aware that there is some discontent in certain quarters and the suitability of the existing scales is being examined. No proposal, however, which involves an increase of expenditure is likely to receive consideration at the present time; and the existing rates will probably be reduced for future entrants.

(c) The alteration of grading asked for by the personnel concerned would involve extra expenditure.

GRANT OF PENSION TO CHECKERS OF THE INDIAN ARMY SERVICE CORPS.

* 631. The answer is in the negative.

PAY OF STORE-KEEPERS OF THE INDIAN ARMY SERVICE CORPS.

* 632. (a) About 14 per cent. of the serving Upper Division storekeepers and those Lower Division storekeepers who may be promoted to the Upper Division before the age of 29, will normally attain the maximum pay of Rs. 140 before retirement.

(b) Yes. The difference is due to the nature of their duties. The retention and advancement of men in the Mechanical Transport Branch are subject to their passing searching technical tests which are not applicable to the Supply Branch.

(c) Yes.

(d) No.

ELECTION OF MEMBERS TO THE SALT INDUSTRY COMMITTEE.

The Honourable Sir George Schuster (Finance Member) : Sir, I beg to move :

“ That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three Members to sit on the Salt Industry Committee of the

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Legislative Assembly in place of Mr. S. C. Shahani, deceased, and the Honourable Sir Shanmukham Chetty and Mr. L. V. Heathcote who have ceased to be members of the Committee.”

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty) : I may inform Honourable Members that nominations for the purpose of election of three Members for the Salt Industry Committee will be received in the Assembly Office upto 12 noon on Wednesday, the 13th September, and that the election, if necessary, will be held on Friday, the 15th September, 1933. It is proposed to adopt the same procedure for holding the election for this Committee as has been observed in connection with the Standing Committees for the Departments of Commerce and Industries and Labour. Honourable Members have already been informed of this procedure in the Legislative Assembly Circular No. XLIV, dated the 28th August, 1933. The election will be conducted in accordance with the principle of proportional representation by means of the single transferable vote.

THE IMPERIAL BANK OF INDIA (AMENDMENT) BILL.

The Honourable Sir George Schuster (Finance Member) : Sir, I move for leave to introduce a Bill further to amend the Imperial Bank of India Act, 1920, for certain purposes. Sir, the objects and reasons for this Bill are so fully set out in the statement that I need say nothing more in explanation on this occasion. I would only like to remind the House that this Bill is very closely connected with, and indeed is consequential on, the Bill to set up a Reserve Bank for India, and that, following the procedure which was adopted on the last occasion, we consider it desirable that the two Bills should be considered together and we hope that the House will agree that the Imperial Bank of India (Amendment) Bill should be referred to the same Committee which will consider the Reserve Bank Bill. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That leave be granted to introduce a Bill further to amend the Imperial Bank of India Act, 1920, for certain purposes.”

The motion was adopted.

The Honourable Sir George Schuster (Finance Member) : Sir, I introduce the Bill.

THE INDIAN LAC CESS (AMENDMENT) BILL.

Mr. G. S. Bajpai (Secretary, Department of Education, Health and Lands) : Sir, I move for leave to introduce a Bill to amend the Indian Lac Cess Act, 1930, for certain purposes.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That leave be granted to introduce a Bill to amend the Indian Lac Cess Act, 1930, for certain purposes.”

The motion was adopted.

Mr. G. S. Bajpai : Sir, I introduce the Bill.

THE RESERVE BANK OF INDIA BILL.

The Honourable Sir George Schuster (Finance Member) : Sir, I beg to move :

“ That this Assembly do recommend to the Council of State that the Bill to constitute a Reserve Bank of India be referred to a Joint Committee of this Assembly and of the Council of State with instructions to report on or before the 20th November, 1933, and that the Joint Committee do consist of 24 members.”

Sir, I desire to avoid making a long speech on this occasion. I imagine that there is practically complete agreement in this House on the main purpose of the Reserve Bank Bill, the main and primary purpose being, as I should describe it, to set up a Reserve Bank free from political influence. That, Sir, is the main principle of this Bill and, at this stage, it is not appropriate or indeed permissible to enter into any long discussion of details. We are now moving for reference to a Joint Committee, and as I am making that motion, I want to explain to the House as shortly as I can what are our reasons for having proposed this procedure and what is the nature of the business which that Committee would have to undertake. As regards our reasons for proposing this procedure, we have been mainly influenced by the fact that it was followed on the last occasion. We thought that as it had been adopted after very careful consideration on that occasion, and that as a precedent has been set up, that precedent, in the absence of very strong reasons to the contrary, should be followed.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran : Non-Muhammadian) : What was the result of that precedent last time ?

The Honourable Sir George Schuster : The result of that precedent was at any rate a full discussion of that measure, but I trust that, on the present occasion, such discussion will lead to some more fruit-bearing results than on the last occasion.

Mr. B. Das (Orissa Division : Non-Muhammadian) : The Bill will be thrown out on clause 8.

The Honourable Sir George Schuster : The procedure,—whatever my Honourable friends may think of the nature of the measure,—the procedure at any rate was acceptable on the last occasion to this Assembly and, as I say, unless there were very strong reasons to the contrary which we do not see, we felt it desirable to follow that procedure, because it seems to us not only to be an established precedent, but also to have a great deal to commend itself to us.

Then, I turn to another point as regards the procedure. Before the Committee sits, there will be ample time for all those sections of the public, that are interested in this measure, to study it and to put forward their opinions, and we should be very glad to receive opinions which can be laid before the Joint Committee—if this House approves the proposal to set up such a Committee. The matters for discussion being also of a highly technical nature, it would be our idea, if it is approved by the Committee, to arrange for certain individuals in this country who have expert experience on matters under discussion to attend the meetings of the Committee and give the Committee the benefit of their evidence and advice. (Hear, hear.) That, Sir, I think, is all I need say as regards the procedure.

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I want next to say something as regards the nature of the business which the Committee will have to conduct, as I think it is important that the House before it considers this motion, should clearly visualise what that Committee has got to do. The nature of the task is highly technical. There are three classes of questions which will have to be considered. First of all, there are the provisions of the original Bill which are being repeated without alteration in the present Bill. Then, there are those provisions in the present Bill where we have endeavoured to incorporate, as exactly as we can interpret them, the recommendations of the London Committee, ---provisions where the present Bill differs from the original Bill. Lastly, there are those matters where the London Committee recommended that they should be the subject of further consideration in India.

Now, Sir, I need say nothing about the first class of questions that I have mentioned, the provisions of the present Bill which remain unaltered. As to the second class, the provisions, where important alterations have been made, I would just like to run over some of the main points so that the House may be reminded of them. There is the question of the denomination of shares, there is the question of voting rights—and here, I would remind the House that one important change in the present Bill is that there is no limit for maximum holding of shares by any individual, but there is a limitation on the voting rights that can be exercised by a single individual. Then, there is the question of the distribution of shares among the various areas in India, as to which, I would remind the House that the areas have been somewhat differently defined in the present Bill. I would also like to call attention to one feature which, I hope, all Honourable Members will regard as satisfactory and that is, that, whereas in the former Bill all the Indian States would have been concentrated in the Delhi area and on the Delhi register, now the recommendation is—it is a recommendation which was supported by all the States representatives on the Committee—the recommendation is that the States shall be grouped where they geographically lie and that no distinction should be made between British India and the Indian States. That, Sir, I think, is a significant move towards the conception of a United India where there is no distinction, at any rate, for the purpose of ordinary life between British India and the Indian States. Then there is the provision as regards allotment of shares ; there is a special direction in the present Bill that the Board, in allotting the shares, shall do so on the basis that they consider equitable in order to secure the widest possible distribution of shares. In the former Bill the provision was that after allotting one share to each applicant, the balance should be distributed by lot. We think that the present provision is a more satisfactory provision. Then there is the question of the Board of Directors. The present Bill contemplates a much smaller board, 16 instead of 24. Then there are the very important new provisions as regards the method of electing Directors. They are to be elected by local elective boards instead of by electoral colleges and these local boards will have a definite function and we hope that they will become a definite reality and not bodies just merely set up for the purpose of carrying out elections.

I next come to certain more technical matters. There is the question of the assets and liabilities of the Bank. On the liability side, there is one very important change. According to the present proposals, the Bank has to carry no liability for the redemption of silver rupees on return from

circulation. Therefore, we propose no rupee redemption funds as was formerly considered to be necessary. The Government, according to our present proposals, will only ask the Bank to take over the stock of rupees which is considered sufficient for its own normal purposes, that is to say, 50 crores ; and the liability for redeeming rupees in excess of that which may be returned from circulation and also the whole responsibility for disposing of the Government's present surplus stock of silver in excess of 50 crores of rupees will remain with the Government of India. Then, on the asset side, there is, of course, the important change that the whole question of gold is now on a different basis. But the Committee has recommended that although gold at present is worth 50 per cent. more than its nominal value according to the old parity, nevertheless gold in the reserves shall be valued at the old parity. I would remind Honourable Members that that means, if that provision is adopted, that the Bank would in present circumstances start with a hidden reserve of about 22 crores. Then there is the question of the proportion of gold to be held, the proportion of gold to the other reserves, which was the subject of very considerable discussion in London and which, I am sure, the Committee of this Legislature will want to consider in detail.

Another point is that the opening of a London Branch is in the present Bill made optional and various considerations as regards that are mentioned in the report. Then the last point that I would mention among the definite changes in the Bill is the question of the dividend on the shares. That was dealt with in the old Bill in clause 46 and in Schedule III and is dealt with in clause 44 and Schedule IV of the new Bill. Formerly the provision was that dividends should be 5 per cent. rising to a maximum of 7 per cent., and the proposal in the present Bill is that the fixed minimum dividend should be at a rate to be fixed by the Governor General in Council, so that it may be fixed at a rate appropriate to the conditions when the shares have been issued and that the maximum rate shall be 6 per cent. Whereas formerly it was 5 to 7 per cent., now it is up to 6 per cent. And, in mentioning that point, I would like to emphasise to the House that when there is a good deal of talk of handing over a very profitable enterprise to private shareholders, I would remind Honourable Members that according to these proposals the private shareholders cannot get more than a maximum of 6 per cent. dividend on their shares and that all surplus profits will still go to the Government.

Mr. B. Das : Why not a State Bank ? Why a shareholders' bank ?

The Honourable Sir George Schuster : Then, Sir, I return to the third class of points which I mentioned, points which have to be further considered in India. As regards those points, Honourable Members may have noticed that the Committee, in its report on certain occasions, recommended that a point should be further considered in India and on other occasions recommended that it should be further considered by the Government of India. I would also remind them that some of the points will be points for legislation and others will be points to be dealt with either in subsidiary agreements or merely in the form of laying down Government policy. But although there is that distinction between these different classes of points, I want to make it clear that we regard them all as intimately connected with the policy which is being put before the House in this Bill, and that we desire to have an opportunity of getting the opinions of representatives in this Legislature by discussion in Select

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Committee. Now, Sir, these points are in the main all technical points. There is the question of the nature of Government securities that the Bank should be allowed to purchase, clause 17, sub-clauses (7) and (8). The Committee held that the restrictions might be unduly restrictive and that point has got to be considered in Committee. Then there is clause 18, a clause dealing with the Bank's power to take part in open market operations in discounting bills. There, again, the Committee held that the old provision may be interpreted in too restrictive a way. That is another point for consideration. Then there is the question of the size of the initial reserves, how much ought to be held in the form of gold and sterling securities before it is safe to set the Bank up. The Committee adopted the old provision that the Bank should be started off with 50 per cent. of the reserves of that type, but has recommended that as the reserve provision has in a sense been reduced by the elimination of the rupee redemption fund, it should be considered whether that 50 per cent. ought not perhaps to be a bit higher. That is a very important point.

Then there is another question, the question of how the proceeds of sales of surplus silver by the Government are to be disposed of, because, with the altered arrangements which we now propose, the proceeds of those silver sales will not automatically go to the currency reserves. That is a question affecting the policy of Government and certainly demands most careful consideration. Then another point is the proportion of Government of India securities to be held in the currency reserves,—clause 31 of the old Bill and clause 33 of the new Bill. The Committee say that the limit proposed in the old Bill of 50 crores or one-quarter of the reserves, whichever is less, might unduly restrict the open market operations of the Bank. That, again, is a point which will require careful consideration. Then there is the point arising from what I have just said, of the valuation of gold reserves. If the gold reserves are to be valued at their existing parity, there is a chance of great profit being made either on the sale of a portion of those gold reserves or on a revaluation of the gold if at any time a different monetary system were to be adopted. The question of how such a profit, if it arose, should be disposed of is one which requires most careful consideration and has been referred by the London Committee for further consideration in India. Then there are the provisions as regards the Scheduled Banks; that matter again is being referred for further consideration here, and that is a very important question, for it raises the whole question of the relations between the ordinary banks and the Reserve Bank. Then, lastly, there is that very important head, the question of the relations between the Reserve Bank and the Imperial Bank. The Committee recommended that a new agreement should be made with the Imperial Bank on the lines suggested in the case of the old Bill. So far as we are concerned, up to the present, we have merely inserted again in the Bill the old provisions, but we recognise that they require reconsideration. There is the question of the period for which the agreement should be made, and the terms on which the Imperial Bank should act as Agents for the Reserve Bank and the sort of remuneration which they should get for maintaining a number of branch offices. Lastly, there is the possibility of the question of some sort of compensation to the Imperial Bank on the occasion of this change. All those are matters which must be dealt with

in the first place by negotiation between the Executive Government and the Directors of the Imperial Bank, but they are all matters on which we must consult the representatives of this Legislature in the Committee which has got to be set up.

Now, I have only selected some of the more important points which the Committee will have to consider ; but I think after hearing my list, Honourable Members will realise that what I said in the beginning is true, that this is going to be a very technical business, on which we want to have the assistance, as far as possible, of all those in the House who are qualified to speak on technical matters of this kind. I have dealt with the main features of the Bill and what it does ; and I just want to say that there is one thing which the Bill does not do. It does not purport to be a Bill for setting up a new monetary or currency system for India. It is merely a Bill to set up certain machinery for working the existing monetary system whatever that may be. The question of whether the existing monetary system should be changed is a matter which would have to be dealt with differently and separately.

Before I conclude, I think it might be of interest to the House if I said something as regards the practical possibilities of setting up the Bank in the near future. When this matter has been discussed before, there has always been an apprehension that the provision of currency reserves in the form of external securities, gold and sterling securities, might be a matter of great practical difficulty, and that delay in accumulating those reserves might lead to delay in setting up the Bank. If we look at the present position, I think at least there is reason for some satisfaction on that particular score. I do not say that we have already reached the necessary level, but we are very near it ; and, if things go well, we should certainly attain to that position in the very near future. In fact it would be actually within our power to attain that position at the present moment. The position is as follows. I am giving the figures as on 31st August, 1933. The liabilities on the note issue were Rs. 179½ crores ; and, if we say, that there should be 50 per cent. of that available in gold and sterling securities, that means there ought to be Rs. 89.88 crores. On the 31st August, there was in the form of gold in the Paper Currency Reserve and the Gold Standard Reserve a sum of Rs. 44.49 crores and in sterling securities Rs. 38.16 crores or a total of Rs. 82.65 crores, against the fifty per cent. requirement of Rs. 89.88 crores. Therefore, there is only an actual shortage of Rs. 7.23 crores. On the same date the Treasury Balances in London were £13 millions sterling and there was still £3,870,000 to come in the form of final payment on the last loan. That means we had resources available in London of very nearly £17 millions. As against that, we have to consider that there is a liability of £10 millions to meet on the repayment of the £10 million 6 per cent. loan on the 15th December. Allowing for that liability we have £7 millions in hand. And a further transfer of £6 millions, providing for Rs. 8 crores, would be more than enough to fill the actual gap in the currency reserve. Lastly, one must consider, together with that, the fact to which I have already called attention that our gold is valued at the old parity and that at present prices there is a hidden reserve of unrealised profit of Rs. 22 crores on that gold holding.

I think if all those facts are considered together, one may say that the present situation is not an unsatisfactory one. What it will be when

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the time comes when we are administratively ready to set up the Reserve Bank is another matter, that depends on how things go in the interval. I would say nothing more than this, that when we bring forward this measure on the present occasion, we can say that we have at least reasonable ground for hoping that difficulty in providing currency reserves will not be a factor which will hold up the bringing into fruition of this scheme. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty) : Motion moved :

“ That this Assembly do recommend to the Council of State that the Bill to constitute a Reserve Bank of India be referred to a Joint Committee of this Assembly and of the Council of State with instructions to report on or before the 20th November, 1933, and that the Joint Committee do consist of 24 members.”

There are two amendments down on the paper, one in the name of Mr. Vidya Sagar Pandya and the other in the name of Mr. S. C. Mitra. I propose to call on these Honourable Members to move their amendments and to throw open the discussion on the original motion together with the two amendments.

Mr. Vidya Sagar Pandya (Madras : Indian Commerce) : Sir, I beg to rise to speak on the motion and also to move my amendment of which I have given notice :

“ That the Bill to constitute a Reserve Bank for India be circulated for the purpose of eliciting opinion thereon by the 31st December, 1933.”

But, before I proceed, let me first of all congratulate the Honourable the Finance Member on the good fortune he has in bringing a Bill of such importance during the tenure of his office. Now, you know the Honourable the Finance Member went to England to consult the authorities there and also took with him a party of gentlemen from this House, and it was something like a bridal party that went there, and we expected that we would get a very fine fairy of a Reserve Bank of India of which we will all be proud. But when he came back, our disappointment was of the kind expressed in an Indian proverb :

“ *Bahu āyi Bahu āyi meré man chāō*
Dolé mén' sé nikaḷā Ghogad Belāō ”

which translated into English, means this :

“ Lo ! The bride has come, the bride has come and we were overjoyed ; but when the palanquin, bearing the bride, was opened, we found a Tom Cat ! ”

Well, Sir, I do not wish to tire the House by giving a detailed history of the last Gold Standard and the Reserve Bank of India Bills of 1927 and 1928. I may, however, refer to one part of the procedure then adopted to show how the time of the House was wasted and how the Select Committee was appointed of 24 stout Knights and how they made a Report and how the whole thing was thrown into the waste paper basket on receipt of a confidential letter from the Secretary of State to the then Finance Member. I do not wish to re-open all that old story. I do not think that the public outside or this House, except the Members who had gone with the bridal party, to have had sufficient time to consider all aspects of the case, and that is why it is

very necessary that the Bill should be referred for public opinion. The Honourable the Finance Member, in his speech, has told us of only one part of the procedure that was adopted. He said that the Select Committee was previously appointed, and how it held its meetings. May I remind him, Sir, that the real procedure adopted on the previous occasion was this—first the Bill was formally introduced, then it was circulated for public opinion and then referred to a Joint Select Committee. But, on this occasion, that part of the procedure to circulate for public opinion has been omitted and the matter is being rushed through by the Honourable the Finance Member, and he wants us to believe that he is giving us ample time for the consideration of the various points involved, but, in my opinion, Sir, it is not possible to obtain public opinion within such a short time on such a very important subject as this. It is hardly necessary for me to impress on this House the importance of this Bill. I, therefore, have to press my amendment in the matter and, in doing so, I may quote the very words of the Honourable the Finance Member in support of my amendment. When introducing the Bill the Finance Member has himself said :

“ In framing and passing this Bill, we shall be doing something to shape the destinies of new India of the future under the new constitution.”

Then, again, he said :

“ On this Bill will depend the security and stability of Indian finances in the future ”,

and that :

“ the setting up of the Bank is an important step towards the new Constitution ”.

In his words :

“ this is a matter which is attracting wide attention outside India and the eyes of many countries are on it ”.

In fact, the credit of India in the other countries will depend upon how the Reserve Bank of India is not only constituted, but also actually worked. We need not in future, if our Bank is a success, depend entirely on England for our loans, and to the extent we are able to inspire confidence by the constitution and working of the Bank and the stability and soundness of our currency policy and finance, we can hope to raise money from other countries at more reasonable and cheaper rates than we get from England and also relieve England from the responsibility and burden of providing money to us when they themselves have to meet heavy war dues. In fact, our solvency will depend upon the solvency of the Bank and the way in which it is constituted and is worked. Again, in the words of the Honourable the Finance Member :

“ The country ought to have ample time to ruminate and deliberate, and there should be no disposition to rush through the Bill or attempt unwisely in a few weeks to push through a measure on which the future destiny of India so much depends.”

The Honourable Sir George Schuster : The Honourable Member is quoting, as my own words, words which I put in the mouth of my critics. What the Honourable Member has just quoted is what I said that my critics have been saying in the press.

Mr. Vidya Sagar Pandya : I hope the Honourable the Finance Member will agree to all the other portions of what I have quoted from

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his speech though I may have misquoted one sentence. He has given sufficient reasons himself as to why the Bill should not be rushed through and sufficient time should be given to the public. I quite appreciate the anxiety of the Honourable the Finance Member to bestow this boon of the Reserve Bank of India as early as possible, but we must gauge public opinion and see whether the public are prepared to accept the boon in the present form and the manner in which it is proposed to be given to them. The Honourable the Finance Member has tried to convince us that the method he is adopting of referring the Bill to a Joint Select Committee of the Assembly and the Council of State and placing it before the House for passing it in November next is a correct procedure, and he thinks that the intervening period is quite enough for the public to examine the provisions of the Bill minutely. I quite appreciate the desire of the Honourable the Finance Member to give India a Reserve Bank. But, Sir, we have to consider whether the new Bank will be a change from "King Log" to "King Stork".

My Honourable friend, the Finance Member, has spoken of the time table and also of the occasion which he has chosen. The time table is very brief. The Report of the London Committee was published in part in the press on the 16th August, and supplied to the Members of the House late on the 18th August, last. A copy of the Bill was made available only on the 8th instant. Unless the Bill was available, it was not possible to know which of the recommendations of the London Committee, on which Indians in general and the Indian Legislature in particular were so represented as declared by the Finance Member, were accepted. It is a travesty of facts to say that the London Committee was representative of either this House or of the larger public outside. It was rather constituted contrary to the original programme of the Secretary of State for India. In the report of the Financial Safeguards Committee of the Third Round Table Conference, it is placed on record that :

"the Secretary of State undertook that representative Indian opinion would be consulted in the preparation of proposals for the establishment of a Reserve Bank including those relating to the reserves".

The Committee which sat in London and which has reported is not at all representative of Indian public opinion. It was, as usual, a *packed committee* of Government nominees and the members appointed thereon were not even elected by the Indian Central Legislature. The Government did not ask even the Central Legislature to elect them, nor the various Chambers or representative public bodies. I do not know what was the qualification and practical experience of some of the members who were picked up from the Assembly and the Council of State to deal with the question of a Reserve Bank. Several of them had open minds, that is, blank minds, ignorant of the subject. They were no doubt good and eminent men in their own way, but whether they were competent to deal with the subjects which have been described by the Honourable Member as so technical—whether they were competent to give their opinion on those matters is a different question. The Committee, therefore, merely said "ditto" to the old Bill of 1928. If the Secretary of State really desires representative Indian public opinion, the Bill must be circulated and then brought

up before this House. The Indian press, the Indian Chambers and the public have all denounced the Report of the so-called representative London Committee.

Now, coming back to the time table of the Finance Member, the Honourable Member introduced the Bill at 11 A.M. on the 8th instant. The House sat the whole of that day, half of the next day, and there was besides a sitting of some Select Committee. Thus, practically one day only was allowed to the Members to "ruminate and deliberate", to use the words of the Finance Member. Honourable Members opposite have a large battalion of well trained Secretaries and clerks and library of literature, and it may not even then be possible for them to go through the Bill in such a short time. But Members on this side who have not got the same facilities found it difficult to go through the Bill and consider it carefully within a period of 24 hours. The time given is too short even to discuss the principles. The task before Members on this side is to go carefully first, through the original Bill of 1927, then the modified Bill of the last Joint Select Committee, then the notorious Bill of 1928, fourthly, the recommendations of the Hilton-Young Commission, fifthly, the Central Banking Inquiry Committee's report and the discussions with the Foreign experts; they have also to compare the Bill with the statutes of other countries who have recently gone off the gold standard and see whether the Bill, as it has been submitted to us, is really acceptable to this House or to the general public outside. I confess it is practically impossible for a Member to make a study of all these things in a day. There is no time even to consult one's own constituency like mine which is spread over 26 districts. The Indian commercial constituency of the Madras Presidency which I have the honour to represent in this House has the largest stake in the country and I have no time to consult them. I have forwarded copies of the Bill to several Chambers in the Madras Presidency, but they will get them only after the discussion in the House accepting the principle of this Bill is over.

The Joint Select Committee will meet in October, and, according to the motion of the Finance Member, the Committee is to report on or before the 20th November, by which time, according to the speech of His Excellency the Viceroy, the Bill will be placed before the House for passing it. Where is the time for the country to express its opinion on the Bill or as passed by the Joint Select Committee? Even on the admission of the Finance Member, he "should have welcomed more time", and, according to his own words, "only a short time has elapsed since the publication of the London Committee's report" and, though the Committee made certain definite proposals, they recommended that "several important points on which it was unable to make final recommendations should receive further consideration in India". The Finance Member again said:

"As regards the definite proposals, we have endeavoured to incorporate those as exactly as we can interpret them in the Bill. As regards the points which were to receive further consideration in India, (and these include some of the points which are not subject to legislation by a Bill, but which will have to be dealt with in subsidiary agreements), I have not had time since my return to give the full consideration they deserve. We desire to consider them in consultation with the Legislature before we commit ourselves finally to definite proposals."

The Finance Member would not, in his anxiety to place the Reserve Bank on the Statute, give enough time to the public to express their views on the present Bill, nor are these subsidiary agreements placed before the

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House. Unless we consider them also, it is not possible to fully understand the full significance of the Bill and the implications of the agreements.

He has said that the public is already familiar with the 1928 Bill. But the three Bills,—the Bill of 1927, that of the Joint Select Committee of 1927, and that of 1928,—have confused the public. The original Bill of 1927 was circulated by the Government for opinion. Then it went to the Joint Select Committee and there was thus enough time given to the public. Why not follow that procedure? The Bill of 1928 fell through. Six or seven years have passed and the heavens have not fallen for want of a Reserve Bank, as it was then thought when the Bill was rejected. So, when we have waited for the last six or seven years, a little more time, say six or eight months more would not matter very much.

Now, coming to the occasion which he has chosen, in his own way it is no doubt an excellent one. Government can get any Bill passed in any shape and in any manner. They have got a majority and if they bring a proposition, that the sun rises in the west, it will be passed by this House. The Government have got a clear majority. The confusion among the parties, the absence of a large number of Members, the scramble for a seat on the Joint Select Committee (Hear, hear), the anticipation of occupying a seat by some of us in the House on the new Bank are very good opportunity for the Government. Why should they not take advantage of it?

An Honourable Member : Make hay while the sun shines !

Mr. Vidya Sagar Pandya : The Honourable the Finance Member says :

“ We did not think it fair to risk that delay and uncertainty in getting the legislation and it is important that steps should be taken in advance of the inauguration of the new constitution.”

As such, they do not want to take the risk of the Bill being rejected by the new body which may come hereafter, and they wish to take full advantage of the present situation. I would ask whether it is a fair thing for the Government to do. The proper time for the Bill would have been after the new Assembly is constituted and the monetary chaos is over. The Bill itself says :

“ Whereas in the present disorganisation of the monetary systems of the world it is not possible to determine what will be suitable as a permanent basis of the Indian monetary system ” ;

and it further says :

“ But whereas it is expedient to make temporary provision on the basis of the existing monetary system, and to leave the question of the monetary standard best suited to India to be considered when the international monetary position has become sufficiently clear and stable to make it possible to frame permanent measures ”

Why not take some breathing time and consult the country and pass the Bill with their support.

I now come to the Bill itself. As in the case of the Bill of 1928, the Reserve Bank is to be a Shareholders' bank. The Bill proposes that it shall relieve the Secretary of State for India and the Government of India of some of the administrative functions relating to Indian Finance and Currency. After a century of administration by the notorious East India

Company, the British Parliament decided to transfer the administration to the British Crown and it would be regrettable if, after another 75 years only, they were to take the retrograde step of retransferring one of the most important branches of the administration to a private company—another East India Company. In theory, the advocates of the establishment of a shareholders' bank may have some good reasons and some examples in other countries on their side but, in practice, I believe it would not subserve the best interests of India. The Reserve Bank's business should be to encourage Gold Currency and to provide India with Gold Reserves, but it will be run by men who are not prepared to encourage the getting of gold for fear of disturbing the European money markets. They feel that their first duty is to the London money market and the need of India is only a secondary consideration. The Reserve Bank, unless it be a national body, representing all Indian interests, has no right to be constituted or designated as the Reserve Bank of India to manage Indian finance and currency. By experience Indians find that the full benefit of similar institutions, ostensibly started for India, do not reach further than the White Community in India. It is not possible for a sectarian bank with an alien control to approach finances from an Indian standpoint. When once a particular community gets hold of a certain advantage, it naturally tries to retain it.

From the facts and figures given in a recent letter of one of the leading Indian Chambers, the Southern India Chamber of Commerce, Madras, addressed to the Honourable the Finance Member only last month, it will be clear that in the three old Presidency Banks and the present Imperial Bank of India the European element largely predominates and in the new Reserve Bank of India also, looking into the complicated constitution contained in the Bill, the European element will predominate and the Indian interests will be subordinated. I am afraid that owing to the conflicting interests of multifarious communities covering such a large continent as India, it is difficult to constitute a shareholders' institution to look after the interests of India. Local influence is likely to be in the ascendant and other parts of the country are likely to be neglected as has happened in the case of the Imperial Bank of India, and we find some indication of it in the Bill. The representation, for instance, of the Madras Presidency has been curtailed. In the original Bill, the meetings were to be held in Madras also, but now there will be no meetings at Madras and there is fear of the interests of other parts of India being neglected. Bombay and Calcutta will have a lion's share and, as such, the question of the establishment of the head office of the Bank will also have to be considered, just as the Government of India felt that it was not safe for them to remain in Calcutta and they transferred the capital and came to Delhi.

I will now read some portions of the letter of the Southern India Chamber of Commerce which will clearly show how the European interests predominate. In the past, the Bank of Madras did not contain a single Madrasi from 1843 to 1917. In the Bank of Bengal, there was not a single Bengali and it is only in the case of Bombay they had two Indians on the Board. They took them because it was absolutely necessary in the interests of the Bank and the Bank could not get on without them. Otherwise, they would not have had them. The Imperial Bank of India is no doubt in a sense imperial. They have got a lot of Europeans on it, both in the local Boards as well as on the Central Board. This letter

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clearly proves that the management of a bank of shareholders is a fraud on the public. The Secretary of the responsible Chamber writes :

“(1) I am directed by my Committee to address the Government of India on the question of the practical working of the Imperial Bank of India Act XLVI of 1920 in the three head offices at Calcutta, Bombay and Madras and in the Central Board and request you to be good enough to introduce necessary amendments of the Act at an early date. You will no doubt recognise that the experience of the working of the Imperial Bank of India Act during the last 12 years ought to give a timely warning to the Government of India so that the defects of this statute might not be mechanically repeated in the new Reserve Bank of India Bill and my Committee are anxious for a further reason that the Government of India should closely examine just at this time the drawbacks of this legislation because the establishment of a Reserve Bank would necessitate an amendment of the Imperial Bank of India Act and the Government are probably already drafting an amending Bill for the purpose.

(2) *Traditions of the old Presidency Banks.*—The Act of 1920 dubbed the Imperial Bank of India as the successor of the three old Presidency Banks and like a true successor the former has been carrying out its rich heritage of the history and traditions of the Presidency Banks with redoubled vigour and enthusiasm. By an omnibus provision in section 27 of the Act, the several persons who were the directors of the three Presidency Banks constituted the first Local Boards of the Imperial Bank of India at Calcutta, Bombay and Madras respectively and the persons who were then President, Vice-President and Secretary, respectively, of the Presidency Banks filled the same offices in the respective local boards of the Imperial Bank of India.

(3) My Committee find the present position of the Calcutta Head Office of the Imperial Bank an exact reflex of what the ‘Capital’, the leading Anglo-Indian Commercial journal of the country, described of it a few years before the amalgamation of the Presidency Banks.”

Now come the trenchant remarks of the *Capital*, the representative organ of the Anglo-Indian community in India :

“The Directorate of the Bank of Bengal has always been a very close borough, confined to certain favoured firms, some sixteen in number : of those firms three went bankrupt, one having its certificate suspended and six have closed up their business, so that only seven remain to draw directors from—Messrs. Jardine, Skinner and Company, and Gillanders, Arbuthnot and Company, have had a member of their firm a director during the past half century at least. They evidently have a freehold tenure of this position.

Of the present Board Messrs. Geo. Handerson and Company, came on the scene in 1873, Messrs. Begg, Dunlop and Company in 1888 and Messrs. Turner, Morrison and Company in 1893.”

One or the other of the partners of these firms always managed to be there. Even if a Director goes on leave or furlough, a junior or other partner gets in. Sometimes it so happens that they do not find even a junior partner of that particular firm and then they keep the seat vacant and warm for this partner of the same firm to fill it up later :

“The defunct firms are : Colvin, Cowie and Company, Gisborne and Company, Crooke, Rome and Company, who came on prior to 1860, Mackillop, Stewart and Company, 1861, Shand, Fairlie and Company, 1863, Lyaill, Rennie and Company, 1866, Ashburner and Company and Carlisle Nephews, 1871, John Elliot and Company, 1885.

Messrs. Kettlewell, Bullen and Company, who were in the first batch of firms, dropped out for some time, and then reappeared with the advent of Mr. Aitkin only to disappear. Messrs. Hoare, Miller and Company, who entered an appearance in 1862, seem out of favour now, Messrs. Begg, Dunlop and Company, in whose firm the late Secretary's brother was a partner, were admitted in 1888, but their Mr. J. F. Macnair having, it is said, been too independent, their firm, when he resigned in 1893, languished under the cold shade of the Secretary's displeasure, and their contempt was not brought to notice until a few years ago.”

Mr. President (The Honourable Sir Shanmukham Chetty) : The House now stands adjourned till Half Past Two.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. Vidya Sagar Pandya : When the House adjourned for Lunch, I was reading an extract from the *Capital* and, with your permission, I shall read the remaining portion now. The writer says :

“ Now, I am not sure that this arrangement, under which a seat on the direction of the Bank of Bengal becomes apparently an asset in the partnerships of certain firms, is an absolutely wise and prudent one. The firms in question are undoubtedly of the highest standing ; but firms, even of the highest standing do not possess a monopoly of all those requisites which go to make an ideal bank director. It is common knowledge that the partners of these firms have not always been men of outstanding ability.”

I wish to draw the special attention of the House to what I am going to read further :

“ The aim of the Bank should be to secure the very best men, not to have the partners in certain firms running in and out of the Board room with their qualifying scrip like dogs at a fair. Firms like Apear and Company, Balmer Lawrie and Company, Duncan Brothers and Finlay Muir and Company, etc.”

I omit other names given by the journal :

“ could all have furnished able Directors and brought business which is an important item. But the man in the street, rightly or wrongly, has an idea that the Directors have no independence and are simply dummies or pawns for the Secretary to play with. The present is a convenient time to change all this.”

Now, I come back to the letter written by the Southern India Chamber of Commerce on the working of the Imperial Bank of India during the last 12 years. The state of affairs mentioned in the article of the *Capital* is practically repeated in the Imperial Bank of India. The Secretary of the Chamber says :

“ I enclose statement No. I which contains the names of the Local Board Members from 1921 to 1932 on the Imperial Bank of India at Calcutta compiled from the published half yearly reports. From this it will be clear that the present Board of Directors at Calcutta head office have been ‘ a very close borough ’ practically confined to seven favoured firms during all these years except for an occasional isolated departure. Messrs. Turner Morrison and Company, James Findlay and Company, Bird and Company, Gillander Arbuthnot and Company, George Henderson and Company, Jardine Skinner and Company, and Prankissen Law and Company, all these had a freehold tenure of the Calcutta Board, some Director or partner of which Companies or firms *always* being able to secure a seat on the Board from year to year. When it so happened in any year, a suitable partner or Director from the caucus of firms and companies was not available, the Board has gone the length of keeping the vacancy unfilled in direct contravention of Regulation No. 45 (1) of Schedule II of the Act which says that ‘ any vacancy.....shall be filled up by the remaining members.....’. Adding the number of years the partners and Directors of some of those concerns had occupied a seat on the Board of the Bank of Bengal, it will be found that certain firms have had the privilege of a reserved seat on the management of the institution for a period of 40 to 80 years. The above statement also makes it clear how a seat on the direction of the Imperial Bank of India has become apparently an asset in the partnership of these firms.”

They have sent in support of this a statement No. I in which on the one side we have got each half year from 1921 to 1932, and, on the other side, the names of the firms whose partners have been on the directorate.

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The firm of Messrs. Turner Morrison and Co. has had Mr. Smith, M.L.C. on the directorate. Then their partner Sir Robert Watson Smyth for three half years. Their partners Mr. Edmundson, and Mr. T. V. Dowding, then Mr. Edmundson who continued for five half years. Then, again, came Mr. Dowding for a half year, then Mr. Edmundson again and Mr. Cunningham. Again Mr. Dowding followed by Mr. Cunningham. Now, in 1932, they have got no seat.

Similarly, in the table of directors, of Messrs. James Findlay and Co., Ltd., Mr. Langford James continued for four half years, Mr. Tessi for another four half years, then Mr. Reid Kay, then again Mr. Tessi came, for five half years, then Mr. Reid Kay. Again Mr. Tessi and Mr. J. Reid Kay, all these partners of the same firm.

As for Messrs. Bird and Co., Mr. Carey continued for a number of years till Mr. Benthall came and he continued till 1932.

Then, from the firm of Messrs. Frankissén, Raja Rishi Case Law began in 1921 and continued till June 1932 when after him the partner of Messrs. Prem Chand Janaki Das Sitanath Roy came, that is Mr. J. N. Roy took his place. I may inform the House that Raja Rishi Case Law is about 90 years of age.

Similarly in the case of Messrs. Gillanders Arbuthnot and Co., the partner Mr. Eddis came for a year, then Mr. Ad'A. Willis who continued for 4 half years, then Mr. Eddis for 3 half years, then Mr. Kellock came and then Mr. Gladstone and so all their partners have been coming for years together on the directorate and they have been getting a warm welcome.

As regards Messrs. George Henderson and Co., their partners served for 50 years on the Bank of Bengal and this continued for another 12 years on the Imperial Bank. Their partners have been Mr. Meares, Mr. Mackenzie, Mr. Will, and again Mr. Mackenzie.

Similarly the partners of Jardine Skinner came, first Sir Alexander Murray, and he continued for about five years, then Mr. Austin came in and then again Sir Alexander Murray for three half years. Then Mr. Austin entered and continued for about four half years. Once Mr. Hunter also occupied the seat for 6 months. Then, Mr. Austin continued for 5 half years till December, 1932.

Now, Sir, recently on the representation made by the Southern India Chamber of Commerce and when they drew the attention of the Honourable the Finance Member, he was kind enough to put another Indian; till now there was only one Indian and then in 1930, they invited Rai Badri Das Goenkar Bahadur to join the directorate and he has been continuing.

This is the story of the Imperial Bank Board, Calcutta, and now we come to the Imperial Bank Board at Bombay. The Committee of the Chamber says :

" My Committee note with regret that the conditions in Bombay have been very similar. It is found that the partners or Directors of seven firms or companies have had a practical monopoly of the seats of the Bombay Local Board. The firms and companies which have been enjoying this unrestricted privilege of determining the conduct and administration of the Bombay Head Office of the Imperial Bank of India have been,—Messrs. Bombay Company, Limited, David Sassoon and Company, Limited, Kellock, Nixon and Company, Forbes, Forbes, Campbell and Company, Limited, Currimbhoy Ibrahim and Company, and Narandas Rajaram and Company. Besides

those firms and companies one or two individuals also have had the good fortune to become a permanent fixture of the Bombay Local Board. The Bombay Board has even improved upon the Bengal Board in this. While in Bengal the partners of the favoured firms have been running in and out of the Board rooms with their qualifying scrips, in Bombay the self-same partners or Directors have been driven by an inexorable fate to hold the position from year to year for 8 years in the case of one firm and for 10 years in the case of 5 other firms. Moreover, two of the firms have been simultaneously represented either on the Calcutta Board or on the Madras Board."

I will read the statement later on.

Now, coming to my own province, they say :

"In the case of Madras it will be found from Statement (3) that just as in the cases of Bengal and Bombay the Board of Directors has been more or less a monopoly of five firms, *viz.*, Messrs. Parry and Company, Gordon Woodroffe and Company, Bombay Company, Limited, Best and Company, Limited, as well as a solicitors' firm now known as Moresby and Thomas but which has thrice renovated itself by change of name and partnership. The partners or Directors of these firms and companies have practically had an assured career on the Local Board of the Imperial Bank ever since its commencement and they used to hold a seat on the Board of the old Bank of Madras. Some of the Directors had to vacate their seats when their firms were closed or when they died. It will be seen from the same Statement that the individuals now sitting on the Board have seen long years in the appointment."

In support of that we have got the statement of Bombay. It is interesting to note how the Directors come into the Board and it has even been suggested that the shares are held by the firm and not by the Directors. So, as soon as one partner wants to go in, the shares are transferred to him and, if other partners want to go, the shares are transferred to them ; and so it goes on.

Now, coming to the Bombay Circle, we have got the Bombay Company from 1921-1932. We find Mr. Gillum and then Mr. Goodall, again Mr. Gillum and again Mr. Goodall, and so on, till 1927, then Mr. Macdonell, again Mr. Goodall and again Mr. Macdonell again, there after Mr. Moore and Mr. Macdonell.

Then, in the case of Currimbhoy Ibrahim and Co., we find that Sir Fazulbhoy Currimbhoy continues from 1921 to 1932 and, in the case of David Sassoon and Co. also, Mr. Sawyer continues from 1921 to June 1932.

Then, in the case of Messrs. Killick Nixon and Co., we get Sir Thomas Birkett, then Mr. Hebbelthwaite, then Mr. Annesley. Again, Mr. Hebbelthwaite and, then, again, Mr. Annesley for about 8 years and then Mr. Reid.

Then we come to Sir Jamsetjee Jeejeebhoy who was Director from 1921 to December 1930. Then we come to Messrs. Forbes, Forbes, Campbell and Co. There was Mr. Bunbury up to December, 1923, and then partner Mr. Grantham and, again, Mr. Bunbury for 5 half years, then Mr. Fox and, again, Mr. Bunbury for 8 half years with Mr. Fox in the interval.

Then we come to Messrs. Narandas Rajaram & Co., where we find Sir Purshottamdas Thakurdas who entered in 1922 and still continues either as President or Vice-President alternately from 1924—1932, which is against the Imperial Bank of India Act. And then some other people also come in now and then probably to relieve the monotony.

Then we come to the Madras Board. There we find under Parry & Co., their partner Mr. Buchanan, then Mr. Wood for some years and then Mr. Wright, and then Mr. Wood and Mr. Wright changing alternately from 1924 to 1932.

Then the partners of Brightwell and Moresby, first Mr. Brightwell, then Mr. Moresby, then Mr. Taylor, then, again, Mr. Moresby, then Mr. Small and then Mr. Thomas.

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Then, coming to Messrs. Gordon Woodroffe & Co., we find Sir James Simpson and then Mr. Strouts, and these two gentlemen carry on alternately from 1921 to 1932.

Then, coming to the Directors of the Bombay Co., Ltd., we find Mr. Rae, then Mr. Hearson alternately till 1927, then Mr. Moore and, again, Mr. Hearson from 1928 to 1932.

Then, coming to the Best & Co, we find Sir Thomas Ross, then Sir Gordon Fraser, then Mr. Mackenzie Ross again and then the Director of the Taylor & Co.

Then we have the firm of the South Indian Industrials, Ltd., and its Director Mr. Haji Muhammad Ibrahim Sait, and then he went away when the South Indian Industrials went into liquidation, and Rao Bahadur V. T. Chetty came in.

Then, we have got some others and then the partners of Walker and Co. Then, we have got Raja Sir Annamalai Chettiyar for five full years and Mr. I. V. Ramaswamy Mudaliar for about 14 to 15 half years. But, in justice to the Imperial Bank in Madras, I must say that they had temporarily four Indians on the Board for three or four weeks and only three Europeans. It was more to bring out in prominence what they were doing otherwise in the past. Now I have read the three lists of the three circles.

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : Did the Bank crash, because there were four Indians ?

Mr. Vidya Sagar Pandya : No : it did not. Then I come to the local boards. See what the Chamber says :

“ General view of the Local Boards.—The three statements mentioned above make quite clear certain broad features common to them all as to members of the same family. The Directors are confined to certain favoured firms and companies within a charmed circle, whose boundaries are very jealously guarded. They evidently have a freehold tenure of the direction of the bankers of the Government of India. ”

These are not my words but the words of the Chamber, a responsible body. Again it says :

“ It may be admitted that this is apparently due to the apathy on the part of the shareholders who for some reason or other have not succeeded in taking interest in the elections at the Annual Meetings. There is no doubt that one chief reason for this apathy is the fact that the management hold in their pockets a large block of proxies to thwart any attempt to elect anybody outside the caucus..... ”

Sir Cowasji Jehangir : Whose are the proxies ? Are they of Indians or of Europeans ?

Mr. Vidya Sagar Pandya : Of Europeans.

Sir Cowasji Jehangir : Are you sure of your facts ?

Mr. Vidya Sagar Pandya : Yes. For example when one of the Indians wanted to be an auditor of the Imperial Bank, one of the Secretaries threatened him with dire penalties ; that gentleman then went to Bombay.....

Sir Cowasji Jehangir : I am asking a question as to how many Indians there are among the shareholders in the Imperial Bank who give proxies.

Mr. Vidya Sagar Pandya : I do not know the exact number. But this much I can say. There are some members who are specially called

on that day to attend the meeting to thank the directors for their little mercies, and so forth.

Now to take up the letter :

“ In order to show you at a glance the nature of attendance at the meetings of the shareholders ”—(*the letter says*)—“ I am directed to attach hereto statements 4 and 5 setting out the number of shareholders of the Imperial Bank of India present in person and by proxy at the General Meetings as well as at the local General Meetings at Calcutta, Bombay and Madras. They indicate what an abnormal number of proxies are whipped up each time to decide the election of the Directors and Auditors. It is clear that at the latter meetings not more than a dozen shareholders attend ordinarily at Calcutta and Madras and less than two dozen at Bombay. The members usually present consist of Directors, *ex*-Directors, officers of the bank and their brokers. There have been occasions when only Directors are left to elect themselves or their successors which must be a matter of a couple of minutes only—you will notice, for instance, that in the year 1926 there were only 4 members present at the Madras meeting. Thus the shareholders have practically no say in the matter and exercise absolutely no control.”

I will read those statements which will give a somewhat clear idea and answer also to my leader, Sir Cowasji Jehangir's question. This statement is about General Meetings of the Shareholders. In 1921, at Calcutta, the number present in person was 11, while the proxies were 665. In 1922, at Bombay, 33 were present in person, while the proxies were 881. In 1923, at Madras, 41 were present in person, while the proxies were 1,621. Here I want to say this. There was a little tussle between an Indian auditor and one of the Secretaries of the Bank, and the Secretary said “ You dare not enter this charmed circle and I will teach you a lesson ”. Then the auditor went to Bombay and, with the help of some of his friends there, was able to get about a thousand proxies, while the Bank had only 600 ; and the result was that the Bank came down on its knees and begged him not to propose some other Indians in the place of the other two European auditors and then a compromise was reached and that is why 41 were present in person on this occasion. On this occasion, as I have said, 1,621 proxies were collected by both the parties. In 1924, at Calcutta, 16 were present in person while the proxies were 908. In 1925, at Bombay, 34 were present in person and the proxies were 841. In 1926, in Madras, only 13 were present in person while the proxies were 788. In 1927, in Calcutta, 36 were present, while the proxies were 807. Then there was a special meeting which we need not take into consideration. But there also it was 37 and 815, respectively, when the question of establishing a Reserve Bank came up. In 1928, at Bombay, 32 were present in person and by proxies 812. In 1929, in Madras, the numbers were 22 and 788 ; in 1930, in Calcutta, 12 were present and 740 were proxies. In 1931, in Bombay, 176 were present and 954 were proxies. That was the year when there was a trouble and walk-out and apologies in the meeting. In 1932, in Madras, 19 were present with 1,198 proxies.

I now come to the Local General Meetings and the number of shareholders present in person and by proxy. The numbers present in person in the Calcutta meetings are 7, 8, 9, 11, 8, 10, 15, 8, 10, 10, 21, and 18 respectively from 1921 to 1932 : of course these consist of the directors, the secretaries and *ex*-directors and their friends. The number of proxies for the years from 1922 to 1932 are 255, 268, 276, 264, 232, 285, 280, 266, 255, 315, and 422. This goes to confirm the idea that they have got practically permanent proxies also. The numbers present in Bombay for the same period, that is 1921 to 1932, are 32, 18, 25, 20, 16, 18, 17, 13, 19, 21, 97, 43 and 47 in person, and in Madras for the same period there were 11, 7, 15, 10, 10, 4, 9, 14, 12, 13, 11, and 13 : while the number of proxies were,

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as regards Bombay, 494, 553, 550, 538, 494, 483, 478, 477, 466, 437, 845, 870, and 583 : while the figures for Madras proxies are 54, 70, 111, 88, 87, 69, 63, 57, 46, 42, 75 and 127.

I now come back to the letter. It goes on to say :

“ As a result of such manipulation at meetings, it has been found that, as shown in Statement No. 6, the election of auditors also goes in stereotyped lines, partners of the same four firms being repeatedly elected. It is hardly fair to the public who as shareholders, as depositors and as taxpayers are deeply interested in the bank's affairs, to elect the same persons repeatedly to do this work which involves great responsibility to the public. The auditors have further made a domestic affair of this responsible work by segregating the work of each one, which is quite contrary to the intentions of the Act and of the shareholders. Regulation 52 evidently implies that all the auditors are to examine all the accounts jointly and be responsible for the work as a whole.

(8) *Ex-officio members of the Central Board.*—The statements indicate the names of the Presidents and Vice-Presidents as well as the Secretaries of the several Local Boards who have been *ex-officio* Governors of the Central Board. In Calcutta the President has been for a decade only a European, and the Vice-President has also been so, except for the fact that Rajah Reshee Case Law was permitted to be a Vice-President on two occasions. In this manner as large a representation of Europeans on the Central Board as is statutorily possible has been successively secured. In Bombay one of the Directors had been alternately holding the President's and Vice-President's office continuously for over 7 or 8 years, which appears to be in direct contravention of the letter and spirit of Proviso to 44 (1) which requires that no person shall be chosen to be President or Vice-President 'twice in succession'. There are some cases where proviso to section 44 (1) has been broken out. It may be said to the credit of the Bombay Board, however, that two Indians were given reasonable chances of being President and Vice-President. In Madras it was only after a serious protest was made by this Chamber in 1929 that any Indian was occasionally given the supreme privilege of entering the *sanctum sanctorum*. But no Indian has yet been found fit to be elected President in the Madras Local Board and no Indian has yet adorned that place except perhaps in a stop-gap arrangement when the permanent incumbent was out of India on leave.

(9) A Central Board so peculiarly constituted mostly of *ex-officio* European members can hardly pretend to give fair play to the needs of Indian merchants or manufacturers.”

Here I may stop for a moment to give an explanation. The Board of the Imperial Bank is constituted of a President, Vice President and Secretary being *ex-officio* Members of the Central Board. The result is that they always succeed in getting a majority of nine Europeans on the Central Board of the Imperial Bank.....

The Honourable Sir George Schuster : May I remind my Honourable friend that we are discussing a Reserve Bank Bill and not the Imperial Bank. There is a Bill dealing with the Imperial Bank, but I fail to see how the constitution of the present Board of the Imperial Bank is relevant to the proposals in this Bill. The Reserve Bank will have a Board constituted on an entirely different basis. I may also remind my friend that he himself complained that sufficient time was not given to consider the provisions of this Bill, and I suggest that he himself will not be giving very much help to the House by considering the provisions of a Bill which is not before the House.

Mr. Vidya Sagar Pandya : I am alluding to this point merely because to show to the House how the shareholders of the Bank similarly constituted could not control, how in the case of Bank of Bengal, Madras and Bombay the shareholders were totally helpless or took no care to control, and I may add that in the year 1866, in spite of the shareholders' Bank

and with a Government Director nominated on it the Bank went to dogs. That was in 1866. Then in the case of the Imperial Bank, the scheme is practically the same. I want to make it clear whether the shareholders control the Directors and whether they have any effective hand in the management or not. All that the Directors do is they go on re-nominating themselves over and over again and things go on merrily for the Directors. (Laughter.) The same history may be repeated here.

Now, Sir, coming to the Central Board, as the Secretary says :

“ I enclose a statement No. 9 which sets out the names of the four Governors nominated by the Government of India under section 28 (1) in each year in succession.”

I want Honourable Members to kindly listen carefully to this part, and see how the Government nominates members in such cases, and what is the effect of their nomination :

“ My Committee very much regret to note that the Government of India in making the nominations have put into the shade all the Local Boards. It will be observed that the Honourable Sir Dinshaw Wacha, aged 89 years (born on the 22nd August, 1844) has been nominated continuously from 1921 to 1932 in spite of the bad state of his health so well known. Similarly, Sir R. N. Mukharjee, aged 80 (born on the 23rd June, 1853) has been on the Board continuously except for a break of one year, i.e., 1923. The Honourable Sir Maneckjee Dadabhoj, aged 68 (born on the 30th July, 1865) was continuously nominated until when the Government could not do so owing to his election as the President of the Council of State. The nomination of the 4th Governor has shown some show of refreshing contrast though it has its own peculiar and interesting features. In re-nominating, the same person over and over again the Government have overlooked the physical disabilities of age, the claims of the different provinces and the needs of the institution for liberalising and broadbasing the banking policy of the country. Indian interests of Bengal and Madras go practically without any *ex-officio* representative on the Central Board, although there are 9 *ex-officio* seats allotted on the Central Board. It is so constituted that there is an assured majority of 11 or 12 Europeans against 4 Indians and such a Board can hardly be expected to deal fairly with Indian interests even if it is supposed that the 4 Indian Governors bestir themselves to voice Indian interests.”

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : What about the other parts of India ?

Mr. Vidya Sagar Pandya : They are nowhere in the geography of the Bank. I may also add here that the Directors sometimes meet in Bombay, sometimes in Calcutta and sometimes in Madras, and on very rare occasions that the same persons are present at a meeting. Then the letter says further on :

“ (10) I am also to enclose a statement of Secretaries and Managing Governors of the Imperial Bank which shows that Mr. Murray (now Sir Norman) was *ex-officio* Governor for seven years as Secretary and then as Managing Governor. Similarly, Sir K. M. Macdonald has been *ex-officio* Governor for 5 years either as Secretary or as Managing Governor. Sir Osborne Smith has been similarly a Managing Governor for about 7 years now. Ordinarily, even the Viceroy, Governors of Provinces and Members of the Executive Councils are allowed to remain in office only for 5 years, though there is a tendency to secure extensions in transition periods. But there is no limit to the number of years a person may be a Director, a Secretary or a Managing Governor of the Imperial Bank of India, nor is there any age-limit for any of them.

(11) *Liabilities of Directors*.—I am further to draw your attention to the fact that the Imperial Bank Act does not require that the Balance Sheet of the Bank should indicate the nature and amount of the liabilities owed to the Bank by the Directors or the business concerns with which they are connected. It is believed that some or several of the Directors are heavily indebted to the Bank directly or indirectly ”,

and how much portion of their loan they will be able to repay God alone knows. In the circumstances, it is extremely unfair that the Balance

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Sheets of the Imperial Bank of India should not indicate this position while, in the case of ordinary Banks of the country, it is a statutory obligation under the Indian Companies Act, 1913.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions · Non-Muham-madan Rural) : What is the inference ? Do they borrow largely ?

Mr. Vidya Sagar Pandya : I can't say anything about it, but it is for the general public to draw their own inference.

Then, they make a suggestion as to how the Imperial Bank Act requires to be amended at an early date, and the recommendations are :

“(1) That no firm or company shall be represented on any Local Board or any Central Board of Directors of the Bank for more than five years under any circumstances.

(2) That no single partner or Director of any firm or company shall be a Director of the Bank for two terms in succession. Similarly for the Auditors' firms.

(3) That either the President or Vice-President in any Local Board shall be an Indian in any year, and none shall be either a President or Vice-President for two years in succession.

(4) That no Local Board Member or Governor on the Central Board or Secretary or the Auditor shall be more than 60 or 65 years old.

(5) That no Director or Officer of the Bank shall act as proxy for any shareholder or canvass for proxies and that the system of granting permanent proxies shall be abolished.

(6) That no single person shall be proxy for more than three shareholders and that no shareholder should have more than 12 votes.”

Under the present Imperial Bank of India Act, it is open to one single man to sit with a number of proxies and carry on the meeting :

“That the liabilities of the Directors of Firms or Companies with which they are connected, to the Bank will be disclosed in the half-yearly Balance Sheets as required by other Banks under the Indian Companies Act.”

I have finished with the letter of the Southern India Chamber of Commerce. The Chamber have collected the information very carefully and the defects indicated by them ought to be a lesson to us for our future guidance.

Thus, I have conclusively proved that even under the best drawn scheme for a shareholders Bank the Directors are practically left to pass the accounts submitted by themselves, to re-elect themselves or their successors, or to appoint Auditors of their own choice to audit their accounts. Owing to the apathy of the shareholders the Directors comply with just the formalities required by law to issue the report and a balance sheet. Thus, the control and direction of the Bank is vested in a group of men responsible to nobody but themselves without any effective supervision by the Government. Under clauses 8 to 16 of the Bill the Governor and the Deputy Governor will have the Bank in their pockets. The Directorates of the Reserve Bank Board as well as the Local Boards will be closed boroughs confined to certain favoured firms and the Directors will practically be mutes. The Directors even by election under the scheme will have no independence but will be simply dummies or pawns for the Governors and the local agents to play with, as is the case with the Imperial Bank of India. Whenever any information is sought about the Bank or Indianisation is pressed, the Government will say the Bank is a private body and they cannot give any information and must leave it to the Directors to do as they like. The question is whether the Indian currency and banking is to be handed over to

one or two Great Moghuls of the Reserve Bank of India under the Constitution as contained in the Bill. The election of the Directors will be in the hands of the Executive by whipping up proxies through the influence of those who are indebted to them or their agencies.

Mr. B. Das : Do you mean to say that the Directors are indebted to the Imperial Bank ?

Mr. Vidya Sagar Pandya : That is a question for the Imperial Bank of India to answer.

I have taken so much time of the House in giving these necessary details so that they may fully understand the implications of the Shareholders' Bank. The country has unmistakably expressed that the Reserve Bank should be a State Bank. The last Bills were lost on account of that. The London Committee sitting at a distance of 6,000 miles had simply adopted the Bill of 1928 with certain modifications. It is no use dismissing the constitution of a State Bank only on a mere phrase of " political influence ". Why should not the Government ask the country what they want ? The Government which is the biggest political party in the country chooses to call the Directors elected by the Legislatures as politicians. The Government nominate five Directors and in the beginning still more. They would represent the Government politics. Yet the kettle calls the pot black !

Another reason for my asking the Bill to be circulated for public opinion is that the country does not want to be tied to the coat tail of England. England is establishing a chain of Central Banks throughout the Empire and naturally requires the formation of a Reserve Bank of India so that the Bank may be an annexe of the Bank of England to carry out its pre-arranged policy. The country should be given an opportunity to express whether they want a real and honest Gold Standard or only Paper Sterling Standard and an independent Bank. Under the provisions of the Bill the currency notes are not convertible in gold. You may take silver coins or sterling. As I had to tell the House once before that if this Bill is to be put on the Statute-book I shall have to use an epigram which was in vogue in the time of Pitt :

" Of Augustus and Rome,
The poets still warble,
How he found it of brick,
And left it of marble."
" So, of Schuster and Ind
Men may say without vapour,
That he found it of gold,
And left it of paper." (Laughter.)

The idea, I believe, of the British Government has been to give India a real Gold Standard with Gold Currency, but owing to the peculiar circumstances over which England had no control she had to go off the Gold Standard. I do not see why they should drag India to follow their fall. It was open to the Finance Member to secure all the distressed gold which has gone out of India and create a sufficient Gold Reserve to keep India on Gold basis instead of tying the Rupee to the Sterling which has so heavily depreciated in terms of Gold. Formerly, an ounce of gold could be secured for £3-17-6. The depreciated Sterling or paper of the face value of over £6 has to be paid to secure an ounce of gold, and even that is difficult to procure.

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Talking on the Bill, the constitution of the Central Board and the Local Boards is such that the best men in the country may not care to stand for the seats on the Boards. The sale and purchase of gold and silver is gone. The control is practically vested in the Governor and the Deputy Governor. The Bill is shorn of all its glory by the removal of the powers of the Bank to buy and sell gold. In all countries, the natural born, the nationals have got the control of the Bank. Here there is every loophole to allow aliens to secure the control of the Bank.

Now, I shall offer a few remarks on the provisions of the Bill. Clause 4 --Share Capital. To give proper representation to all provinces it may be necessary to increase the amount of share capital from 5 crores to a much larger amount so that all the provinces may be better represented. Three-fourths of the capital must be held by natural born Indians and when this proportion is disturbed the Directors should stop transfer of shares to aliens. Similarly, transfer from one provincial register to another should be so arranged that the election of Directors in any province does not become a farce.

Then I come to clause 8, sub-clause 1, c iv. Madras is not given the proper representation according to its population and importance. Here I will have to go more deeply into the constitution of the Board under this Bill and see how it compares with the Boards under previous Bills. I have got with me here so to say the horoscope of the four Bills. According to the original Bill of 1927 the constitution was as follows : (a) A governor and a deputy governor who shall be appointed by the Governor General in Council for a period of 5 years and shall devote their whole time to the affairs of the bank and shall receive such salaries and allowances, etc. (b) Then, 9 directors elected by the shareholders, each of whom shall be a registered holder in his own right of not less than 20,000 unencumbered shares, of whom two shall represent interests in Calcutta, two shall represent interests in Bombay and one the business interests of Madras, two to represent business interests in British India, exclusive of Bombay and Calcutta, (c) three directors to be nominated by the Governor General in Council to represent the interests of commerce and industry and agriculture, respectively, and (d) one officer of Government appointed by the Governor General. Under that scheme the number of Indian directors that could be secured at the utmost would have been for 9 out of 15. Now, this is very important. I would request those members who will constitute the Joint Select Committee to listen to this very carefully and whoever may be the members of that committee will have to do their duty by the country.

Under the Joint Select Committee Bill, the Board consisted of (a) a governor and a deputy governor of whom one was to be an Indian, (b) two directors who will be Indians, nominated by the Governor General in Council, (c) four directors of whom two shall be elected by the Associated Chamber of Commerce and two by the Federation of the Indian Chambers of Commerce, (d) one director to be elected by the provincial co-operative societies, (e) three directors to be elected by the elected members of the Indian legislature of whom one shall be elected to represent the interests of commerce and industry. (f) three directors to be elected by the elected members of the legislature of the Governors' provinces of whom two shall be elected to represent the interests of agriculture and one to represent the interests of com-

merce and industry, then (g) one officer of the Government nominated. Thus, under this scheme, out of 16 Directors we could secure 10 Indians.

Then, we come to the Bill of 1928, which has been followed by our friends in London. (a) the Governor and two Deputy Governors, to be appointed by the Governor General in Council after consideration of any recommendation made by the Board in that behalf, and (b) four Directors to be nominated by the Governor General, (c) two Directors to be elected by the Associated Chamber of Commerce, (d) two Directors elected by the Federation of Indian Chambers of Commerce and then (e) one Director representing the interests of agriculture by Provincial Co-operative Banks and (f) eleven Directors to be elected on behalf of the shareholders, etc. Now, under this Bill of 1928, you could secure 14 Indians out of 24 Directors. Under the present Bill, (a) the Governor and one or two Deputy Governors are to be appointed by the Governor General in Council after consideration of the recommendation of the Board in that behalf. That means three Europeans, (b) four Directors to be nominated by the Governor General in Council. I hope they will not repeat the story of the Imperial Bank by appointing men of 80 or 90 years of age. Then (c) eight Directors to be elected on behalf of the shareholders and (d) one Government officer nominated by the Governor General. We have practically only 8 or 9 Indians out of a Board of 15 or 16 Directors. Under the Bill the Governor General can nominate eight aliens besides the aliens coming through the election by the shareholders. Is there any other country in the world where so much opportunity is given to aliens? There is no guarantee that the natural born Indians or national Indians shall be in majority on the Board. The Government of India is a great political party by itself. It can have political influence, but the shareholders cannot elect any member of any Legislature or a Banker. There was a good chance under the scheme of the Joint Select Committee of there being a majority of Indians. Is there any Reserve Bank anywhere in the world where the aliens have any seat on a Reserve Bank. Here aliens can be in a majority. If the Reserve Bank of India is to be free of political interference the politicians in their turn must be equally free from any restriction of finance imposed upon them by the policy of the Bank. If not its establishment merely transfers the ultimate destiny of India from democratic rule to the autocracy of an institution similar to the Bank of England working its will in Parliament through the agency of the British treasury.

Then I come to clause 13 (1). As I have said, the meetings at Madras have been omitted. So, their interests will be neglected.

Under clause 24, there is no restriction on issuing of small notes of Rs. 2 and Re. 1. I think we must be careful about that.

Clause 28. I hope the discussion of August 31st will be taken into consideration and the rules will be liberal for the refund of money on cut or mutilated or lost notes. I hope the Honourable the Finance Member will kindly appoint the expert committee to look into the claims of the parties in the past.

Clause 41 requires Scheduled Banks to keep with the Reserve Bank not less than $7\frac{1}{2}$ per cent. of the daily average on demand and $2\frac{1}{2}$ per cent. of the daily average of time liabilities. I do think this a heavy

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burden on the banks and I do not think they will get sufficient compensation for the sacrifices they are called upon to make. In the light of my experience all over India I think this will penalise Bombay more than any other province. The Banks in Bombay will have to keep larger balances with the Reserve Bank than the banks in other parts of India.

Under clause 42 (7), I do not see any reason why the banks having over three lakhs capital should be penalised and all other institutions allowed to go scot-free. The five big banks of England have got capital of 8 to 1 millions but their deposits are about 300 to 400 millions. It would be for the Select Committee to go carefully into this matter in order to fix the contribution on the basis of capital or deposits.

Clause 44.—The dividend of 5 per cent. is enough and they should not by giving hopes of larger dividends encourage speculation in the market in these shares. Sub-clause (c) should be deleted.

Clauses 46—48.—I suggest similar alterations as have been suggested by the Chamber, *i.e.*, the same auditor should not be re-nominated more than twice.

Clause 49.—The Bank should issue quarterly reports of accounts and the annual report should be issued not only in English but also in important vernacular languages. It is no use expecting the whole of India to read English reports. Then, the reports and accounts should be submitted to both the Houses of the Legislature and the salaries of the Governors and Deputy Governors and the emoluments of the Directors may be made a votable item, so that we may know how they are running the show and their work may be properly reviewed in this House.

Clause 52.—This clause gives power to the Board to make a number of regulations. Well, I do not think any regulation should be passed by them unless and until it has been approved and confirmed by Legislature. Similarly, no alterations or changes should be made without the permission of the Legislature otherwise it gives lot of discretionary power to the Directors to do as they like or may think best. Similarly, there has been a complaint that the registers of the shareholders are not so easily available and therefore we must take steps to see that every shareholder will have a right to look into the registers without unnecessary restrictions of taking copies or notes from them.

Now, Sir, I wish to sum up briefly what I have said so far and I do not wish to tire the House for too long. First of all, we must take into consideration the control of the Bank. Leaving aside the question of the State-owned or private-owned capital, the constitution should be such as to secure complete public and national control and prevent undue sectional influence. That should be avoided. Non-nationals should not hold shares or occupy seats on the Board. Three-fourths of the capital and the seats on the Board should be reserved for natural born Indians. The Governor General should nominate only natural born Indians not at his own pleasure but on the advice of the Finance Member. So, also the Governor and the Deputy Governors should be appointed on the advice of the popular minister.

Exchange and ratio.—Rupee should not be linked to Sterling but gold standard and gold currency should be aimed at and all efforts should be made to accumulate Reserves.

Now, I come to the agreement or arrangement between Imperial Bank of India and the Reserve Bank. The Imperial Bank, which is dominated by non-Indian interests, should not be the sole agent of the Reserve Bank. Remuneration for agency is too high and in some countries such services to the public are being rendered free. Public Debt account is also maintained without any change. The Imperial Bank should no longer have the prestige and privileges of Government connection, otherwise they will be a formidable rival to Indian Joint Stock Banks. It has been a Central Bank but playing the role of trusteeship of wolf over lambs.

Now, I come to the question of compensation. They have no moral claim for compensation in respect of the so-called "disappointed expectations", as they have been cancelled by realised advantages and unexpected windfalls and benefits. Thus, the recommendation of the London Committee must not only be ignored but the Bank authorities, if I may say so, should be impeached for the disservice they have done to the Indian interests. I agree that there may be a London Branch but the work should not be entrusted to the Bank of England. The Reserve Bank should not work under the poisonous influence of any other Bank. It should be a training ground for future Indian Governors and Deputy Governors to be in touch with the foreign money markets. Sir, I think, I have already tired the patience of the House and specially of the Honourable the Finance Member and, Honourable Mr. President, with your permission, I will now close my speech.

Mr. President (The Honourable Sir Shanmukham Chetty) : Amend ment moved :

"That the Bill to constitute a Reserve Bank for India be circulated for the purpose of elicitng opinion thereon by the 31st December, 1933."

Dr. Ziauddin Ahmad : Sir, I would like to restrict myself to a few general observations today and would not like to go into the details of the Bill. The points that I would like to take up for discussion are, (1) whether it should be a State Bank or a Shareholders Bank ; (2) the question of exchange ; (3) should rupee be linked up with the sterling or gold or with nothing ; (4) the ratio question, whether it should be 1s. 4d. or 1s. 6d. I quite agree that Nos. 3 and 4, as the Finance Member suggested, may be discussed as distinct problems. But the London Committee in their report have distinctly said that at every stage of the discussion of the Reserve Bank Bill it is impossible to avoid their discussions. The fifth point which I would like to take up would be the reserve of the Bank.

[At this stage Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

That is the proportion of gold and other forms and reserve in our Reserve Bank. The sixth question I will take up will be the relation with our Imperial Bank, and then the last question which I will take up, if unfortunately it is decided by a majority that it should be a Shareholders' Bank, is the restrictions and the safeguards of income-tax payers in the country.

An Honourable Member : Agriculturists.

Dr. Ziauddin Ahmad : Yes, most of whom are agriculturists. These are the points which I will take in turn. I now take my first point.

In 1926, it was agreed that the Reserve Bank would be a State Bank. Opinions changed in 1927 and the Bill laid before the Assembly in 1928 contemplated that it should be a Shareholders' Bank but, on account of strong opposition from the then Members of the Assembly and for other reasons, the Government withdrew that Bill. The present Bill is contemplated to be a Shareholders' Bank, but no arguments are given in favour of the Shareholders' Bank, either in the report or in the speech of the Honourable the Finance Member except one point that it ought to be free from political influence. I would read clause 3 of the Report which says :

" We fully accept the principle that the Reserve Bank should be free from any political influence. The best device which the practical experience of other countries has evolved for achieving this object is that the capital of the Bank should be held by private shareholders and we recommend that this plan should be adopted in the case of India."

I request you to mark the words " capital should be held by private shareholders " which I will discuss later on. May I ask, Sir, the Honourable the Finance Member whether the Reserve Bank will discuss any philosophical questions, whether it will discuss the theory of relativity or questions of that kind for which it is necessary that the Reserve Bank should be free from political influence. I submit that politics does not only mean " non-co-operation " or its reverse. Politics includes the maintenance of the credit of the country, control of currency, stabilisation of exchange. All these are fundamental political problems. If you demand today that the Reserve Bank should be free from political influence, you may as well demand that the Universities in India should be free from academic influence. (Laughter.) You deal with fundamental political problems and then, afterwards, say that they should be free from political influence. You are just acting, as the Persian Poet said :

" Dormiyāne qāare daryā takhtā bandam kardāi

Baz mi goi keh dāman tar mākun hushyār bāsh."

It means, " you have bound my hand and feet in the middle of the river and then say, ' be careful, do not make your clothes wet '." It is just what you are doing. You are making a Reserve Bank to deal with political issues and yet you demand that it should be free from political influence, and this is a position that I cannot understand. There is one point to which I should like to draw the special attention of the House. It is assumed in the report that the Indian Minister will mean political influence, but the Secretary of State for India will not mean political influence. We assume that the present Members on the Treasury Benches do not represent politics, the Viceroy does not represent politics, the Secretary of State for India does not represent politics, but the only unfortunate person, the future Finance Minister, when and if he comes into existence, will represent politics. I say, adopt one uniform principle. Either you admit that the Bank should be free from political influence, and since Ministers, Members of the Executive Council, Members of the Legislature and the Secretary of State are all politics, therefore the administration of the Bank should be left to the capitalists of the country

alone.' But if the politicians do come into existence and if the Viceroy and his Executive Council exercise their influence, then, I do not see why the future Minister, when and if he is appointed, should be left out of consideration altogether. Either both the Secretary of State and Indian Minister should be excluded or they both come in.

If you permit me, Sir, I should like to introduce a little confusion of thought and take my second point and come back again to this issue ; and my justification for introducing this confusion of thought is that the conclusion which I will draw from that will throw light on the problem which I am now discussing. So I take up the question of " Exchange ", which is really my second point. Sir, I quoted, two years ago, on the floor of this House, a preliminary note from Professor Gregory's book that " there is only one person who understands the conundrum of exchange and that man is in the lunatic asylum ". My apology for introducing it is that we are all M. L. A.'s. Speaking more seriously, the exchange of every country is worked by the demand and supply of currencies. This thing again is based on three factors, first is what we call visible balance of trade, that is the balance of trade of merchandise, or the difference of import and export of goods. Then the second item to be considered is what is called the invisible balance of trade, which includes the services, the expenses of the tourists, and the interests on long investments and other things. The third item is the movement of long term capital from one country to another. These three items, taken together, really determine the problem of exchange. If these three items balance in any year, then the exchange stands on the even key. If the balance of trade taking all these three points together—to use my pet phraseology—if the balance of trade of visible and invisible negotiations is equal to zero, then the exchange balances, but if it is against us, then we should be prepared to part with our gold. That is to say, an uneven balance is always met by the export of gold from the country. In addition to these three important factors, there is a new factor which has come into existence in recent years, and that is called the short term capital and it is popularly known as " ready money ". Now, this ready money or short term capital has been estimated by the Bank of International Settlement in 1931 to be 10 billion dollars. Now, this amount is the same as the value of the monetary gold in the whole world. This huge mass of perfectly liquid capital is concentrated in a few financial centres and it is in a comparatively few hands and it belongs mainly to a few banks and to some financial houses and to a few rich men. It can be moved easily and without notice. The movements of this ready money are sudden, violent and overwhelming and incalculable, and they break down the exchanges. The movement of this capital was the cause of the collapse of British currency in 1931 and of America three months ago. I would refer the persons, who are interested in it, to the beautiful article in the *Times of London*, dated the 31st July, 1933. The holders of this ready money collapsed sterling which at one time was thought to be the most stable currency in the world. The World Economic Conference made useless efforts to solve the questions of war debts, tariff walls and monetary problems, but these remedies, even if solved, would not solve the world economic problem till this fluid capital of 10 billion dollars has found a home where it can safely be locked up and will not be allowed to move about freely without notice from one country to another. We are now demanding a Reserve Bank where we can carry on operations in the open market and I have a great apprehension that we will put our

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necks in the hands of these capitalists and our currency may be broken down in the manner in which the currencies of other countries have been broken down, by the movement of this large fluid amount of 10 billion dollars from one place to another. It is not unknown that the amount now standing in the accounts of the English people in the Banks of the United Kingdom and which can be invested at a moment's notice, is in the neighbourhood of one billion sterling.

Now, Sir, do we really believe that our capitalists here in this country who will be the Directors of our Shareholders' Reserve Bank would be able to face this huge amount of capital, whose mouth may be directed to India and break up our currency. Here Government alone can give relief. We have got the example of Germany before us. Can any one think that the Reich Bank of Germany would have been able to control the exchange of Germany had not the Government come forward to their assistance and controlled the movement of capital from Germany to outside countries? So, in this case, I say that if we want really to stabilise and protect ourselves from this huge fluid capital, then we will have to give predominating powers in the hands of the Government, for the Government alone can protect us. The shareholders who are advised to go in the open market will never be able to protect us.

Sir, the object of the Reserve Bank is not to secure large profits for capitalists, but to safeguard the interests of the country. Who are the people who are most competent to safeguard the interests of the country? Are they the politicians or the capitalists? Here, I believe, I join issue with the Honourable the Finance Member. He will probably say that the capitalists are best qualified to safeguard the interests of the tax-payers of India and I think that those who are the elected representatives of the people will guard the interests of the people more efficiently and more effectively than the capitalists can possibly do. Sir, I come back again to my first point. We want a Shareholders' Bank only on the ground that it would be free from political influence. Sir Henry Strakotch, for whom I have great respect and whose opinions I highly value, said on one occasion that the political influence in the case of a Shareholders' Bank was greater than in the case of a Government Bank. The action of the Minister will be exposed in the Assembly by the political opponent, but your capitalist Directors will take shelter behind statutory responsibility. Besides, the politicians will have no axe of their own to grind, but the Directors, who will be capitalists, may get some advantage for themselves from the secret knowledge which they may get from the Reserve Bank. I would request the Finance Member or any one who is a supporter of the Shareholders' Bank to give on the floor of the House some definite illustrations of the way by which the Minister can practically break up the Reserve Bank if it happened to be a Government Bank. Now, if your Minister happened to have enormous influence with the House and an enormous influence in the country, then I can assure him that he can influence the shareholders much more easily than he can influence his opponents in the Assembly.

Now, Sir, I will take up my third point, as to whether the rupee should be linked with gold, sterling or dollar or with nothing. In this matter, Sir, I differ from the opinion which is expressed by my distinguished friend, who moved the amendment for circulation. The Hilton-Young

Commission recommended that the rupee should be linked with gold sterling and said that if, by chance, England went off the gold standard, then the time would come to consider the separation. When England went off the gold standard on the 21st September, 1931, the first instinct of the Honourable the Finance Member was to do away with that provision. But, on second consideration, he changed his mind and he brought a second Ordinance. The Assembly, however, stuck to its guns, and we passed a Resolution under the leadership of Mr. President (then Mr. Deputy President) insisting that the rupee should no longer be linked with paper sterling. I always had the same opinion, but a minute consideration of the world economic conditions led me to change my opinion, and I honestly believe that it is for the advantage of both England and India that the rupee should continue to be linked with sterling. To link up our rupee with gold will, in my opinion, be a reactionary policy, because, in that case, the rupee will become very expensive, and our export will enormously be affected. There exist at present weighty opinions in favour of making the rupee cheaper and its linking with gold will be the reverse process. If we do not connect it with gold, then are you going to connect it with the dollar, or with the currency of any other country? Are you going to connect it with anything? I say that we are at present in the deluge of economic confusion and the boats of the currencies of many countries have been cut off from the shore of gold. It is always beneficial for loosely floating boats to bind themselves together to get out of this present deluge. Therefore, if we really unite together with sterling, and all those countries, who have disconnected themselves from gold, unite together, then there are greater chances of our coming to the shore. Now, England adopted the right policy at Ottawa to meet the present commotion. She attempted to unite together, in the first instance, all the countries forming part of the British Empire, and then increase their fold. The policy initiated at Ottawa was really the right policy, and had that policy been pursued, then we would have got by this time in our fold a large number of other countries. But, unfortunately, England adopted the opposite policy this year at the Economic Conference. Instead of making efforts to unite together, in the first instance, only those countries which have already disconnected themselves from gold, she began to ask the gold countries to disconnect themselves, and the result was that all the economic enemies of England joined together under the leadership of France, and the chances of all the countries uniting together have become more remote. Therefore, I am not going to pursue this question further just now, but I will discuss when we come to review the Ottawa Agreement,—and I hope the Leader of the House will give us an opportunity to discuss the Ottawa Agreement as he promised.—then we will discuss what action we have taken and what action England and India ought to take in future.

Whether we like it or not, the most advantageous course open to us is to keep the rupee linked with sterling.

I come now to the fourth point, the question of the "Ratio," i.e., whether rupee should be equal to 1s. 6d. or 1s. 4d. Here I do not propose to bring before the Assembly the entire discussions that we had since 1926. I myself moved a motion about it two years ago, but I would like to draw the attention only to one point in connection with this matter. Till recently, our exchange has been on an even keel. We had a favourable balance of visible trade, that is the difference of export over import in merchandise amounted to about 75 or 80 crores of rupees. Out of this

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visible balance of trade, we paid for the invisible balance of trade, including commitments of 50 crores ; and, in the end, something was left to our credit and we got the balance in the shape of precious metals. This has been the position of India for some time. But, now, the process has changed on account of world conditions which I need not discuss here, our visible balance of trade has been continually diminishing. We are not now in a position to pay up all our commitments which amount to 50 crores and the other invisible balance of trade by export of our raw materials. Since England went off the gold standard, we have been paying for this balance of trade by the export of gold. Had gold not been exported from this country, our currency would have been broken to pieces, our credit would have gone down, and we do not know what would have been the value of the rupee in the world market : but the exchange was really kept up not by the means of export of merchandise as we have been doing in the past, but by the export of gold. The Government of India did not have a very large reserve of gold to maintain this unfortunate position. We know very well that, in these days of adversity, only those firms could stand who had a reserve in cash. This is applicable not only to business firms, but also to Governments and only those Governments have come out successful from economic troubles who had a strong balance of gold in reserve. Fortunately for India, the people of this country are accustomed to keep their savings not in banks, but in precious metals and, on account of this habit of the people, on account of the very good reserves which they had, the Indian exchange was well maintained ; but this process cannot be continued for a very long time. The balance of invisible trade, that is, our commitments, cannot for a long time be paid out of the gold which the people have collected to meet their own emergency needs. Even if they can do it, I think it is wrong policy to draw continuously year after year on our reserves ; but we should try to create a situation by means of which we can pay up all our commitments by means of our visible favourable balance of trade. This can only happen if we increase our exports. There is no other way of doing it. Now, everybody knows that our export has enormously fallen, because other countries have now come up in competition, and it is our duty and the duty of every person interested in the currency of the country to see that we should increase the exports of our country and that is the only method by means of which we can maintain our exchange without exporting gold from India. We have been pressing the Government that there should be an embargo on gold, but such attacks are useless. In the first place, Government will not do it ; and even if the Government did it, it would result in the breakdown of our currency ; and the only way in which we can maintain it is that we should have a favourable balance of trade and we must increase the quantity of exports in order to pay up our commitments.

Now, I make one suggestion, and I ask the Honourable the Finance Member or any other person who is opposed to my opinion to give me another method of increasing our exports. One method is that we should make our rupee cheaper in the world market and then our exports are bound to increase. This was tried by two countries—New Zealand and Sweden ; and, in both cases, they tried it with great success. They had a devaluation of their currency : they diminished the value of their currency in the world markets and their exports went up ; and I would

like to press the same thing today, namely, that with the object of increasing our exports it is essential that we must lower the value of our rupee in the world market : in other words, the value of the rupee, instead of being at 1s. 6d., ought to be 1s. 4d. and that is the only way in which we can maintain our exchange on an even keel : I believe it will be very unfortunate for the future Reserve Bank if we are to establish it with a ratio of 1s. 6d., because it will be impossible for the Bank to maintain exchange on an even keel with this ratio, that is, always pay the invisible balance of trade by means of the reserve of gold. If the people of India do not come forward and part with their private savings, then it will have to be paid by the Reserve Bank from its reserve gold, and it will be a very great strain on the Bank to do it. Therefore, I think we must seriously consider, not in the light of political conditions, but purely from the point of view of increasing our exports, whether we should not consider the devaluation of the rupee and reduce it from 1s. 6d. to 1s. 4d.

I take up the next question and that is the Bank Reserve. In considering the amount of reserve, we should not only consider our credit outside the country, but also the credit inside the country and we must see that the people have confidence in the currency ; and the confidence of the people of this country is much more important than the confidence of the people outside India. We know that the currency note is a kind of promote and people accept it, because they believe in the stability of the Indian Government. The credit of currency notes at present does not depend on gold reserve, but the credit of their notes depends upon their power of taxation, and upon the stability of the Government, and gold reserve is really built up with the primary consideration of the credit abroad. But if it is going to be a private bank, then the position would be reversed. In that case, we will have to consider the confidence of the people inside the country which is much more important than the question of confidence abroad. This private bank has to satisfy the people that it has got sufficient money to honour the notes which it would issue.

Sir, in determining the amount of the reserve, we have to consider three very important factors : (1) the credit inside the country ; (2) the credit outside the country ; (3) the emergency that may arise by a change in the monetary condition of the world, such as England returning to the gold standard again.

Nobody can say at present what would be the monetary position a few years hence in the world. It is possible that England may return to gold standard and we may have to follow. In that case, the amount of reserve, that we should have, must be substantially greater than when England is off the gold standard. These three considerations ought to determine the total amount of the gold reserve in the Reserve Bank. Unfortunately we have taken into consideration only one important factor, and that is the credit outside the country ; but the other two important factors, namely, the confidence of the people inside the country and the emergency factor have not been given proper consideration which they deserved. Sir, the amount under the head " Emergency " ought to be sufficiently large, so that we may be able to meet all possible contingencies. In this case the question would arise, and it is not possible to discuss it in detail here just now, what should be the ratio of gold reserve to the total liabilities of the bank. In this connection, I would like to give the House certain figures from various countries. In France, the gold reserve is 35 per cent. of the total of its notes and current accounts.

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[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

In Belgium, it is 40 per cent. of the gold and foreign credits payable in gold out of which 30 per cent. must be physical gold. In Copenhagen, 50 per cent. must be in metallic reserve ; in Netherlands, 40 per cent. of the Bank notes in gold bullion and gold coins, and, in South Africa, 40 per cent. in gold, U. S. A. 35 per cent. to notes. Any one, who is interested in these figures, is referred to a very important book written by Mr. Kisch. Though it is some years old, still it is a very important contribution, and you will find in it the ratio of gold reserve to the total paper notes and also to total liabilities :

Countries.	Manner of quotation.	Notes.	Deposits.	Sum of notes and deposits.	Ratio of gold to notes.	Ratio of gold to notes and deposits.
England	Million Sterling.	356	108	464	44.4	34.1
France	Million Francs.	73,007	15,425	88,505	59.9	49.5
Belgium	Million Francs.	2,909	144	3,053	41.3	39.3
Japan	Million Yens.	1,186	753	1,939	73.4	44.9
South Africa .. ..	..	9	7	16	81.1	45.3
U. S. A.	Million dollars.	1,489	2,434	3,925	20.4	77.21

In our case we have provided only 20 per cent. of the note issue. Here we should not consider only the paper notes that we issue, but also the other liabilities, Treasury Bills and Cash Certificates.....

The Honourable Sir George Schuster : They will not be the liabilities of the Bank. They will be liabilities of the Government.

Dr. Ziauddin Ahmad : We would take into consideration the entire liabilities of the Bank in determining the amount of reserve. We should consider two items together, that is, deposits and the notes which they issue. These are the two items which we must consider ; we should fix up the amount of gold reserve, not by considering the amount of paper issue only, but also the amount of the deposits, and then we should fix up some ratio. Now, I suggest the following proportion. Of course, this is only tentative, and the exact proportion might be discussed later. I think the gold should be 30 per cent. of the note issue and deposits ; then sterling or gold securities should be 20 per cent.. the Indian Government securities 15 per cent., and rupees only 20 per cent. We all admit that the rupees are not good form of reserve. Rupee in itself is a token coin just as much as bank notes are. The notes are printed on paper and the rupees are printed on silver, and both of them are token coins, and so silver rupees are really not a good form of reserve. This is a point which ought to be discussed in detail in Select Committee. In the Bill, we have provided 35 crores of rupees for gold reserve, which, to my mind, is not

sufficiently large. Considering the three purposes for which gold reserve is built up, I think we should increase this amount to at least 50 crores, and say either 50 crores or 25 per cent. of the total liabilities whichever may be the maximum, that is, 50 crores should be the minimum, and it should go up to 25 per cent. of the total liabilities.

As regards the percentage of other forms of liabilities, this is a point which we should consider carefully. I may also mention here by the way, that gold should be calculated not according to the present parity, but according to old parity. If any time, the Bank changes the gold into other forms of reserve, then the profits accrued by sale of gold should come to us and they should not go to the bank, because it is Government property, and given by Government at old parity.

Then I come to the question of our relation with the Imperial Bank. I wanted to discuss the question more exhaustively, but we already had a long discourse by the Mover of the amendment, Mr. Pandya, and he has very much lightened my task. Sir, it was proposed that the Imperial Bank should be transformed into a Reserve Bank. It was also proposed that the shareholders of the Imperial Bank should be transformed into the shareholders of the Reserve Bank. Then, again, these suggestions were whittled down to the demand that there should be some intimate relationship between the Imperial Bank and the Reserve Bank. In discussing our relation with the Imperial Bank, we must consider the following points. The first point is the existence of clique system. This was exhaustively illustrated by my friend, Mr. Pandya. He described in detail the manner in which the Directorship is transferred from one generation to another generation, and he has exposed the process clearly on the floor of this House, and I think if we ever form a Shareholders' Bank, we ought to take a lesson and we should not allow this kind of thing to be repeated. The second point is that these directors, while evaluating the prices of various articles in order to determine the amount of the loan to be advanced, do not evaluate the prices correctly and impartially ; they evaluate the prices highly in the case of a few favoured merchants and undervalue the prices in the case of merchants who are not favourites, but, I hope, that the appointment of these Local Boards, if they are properly appointed, may, to a certain extent, mitigate this partiality. Then the third is the question of appointments. Mr. Pandya pointed out very clearly that there were very few Indians in the service of the Bank, and if I draw the attention of my Muslim friends, they will notice that the number of Muslims is still more limited. Not only this, Sir. If you draw the attention of the authorities, then, instead of hearing with patience or trying to redress the wrongs, they lose their temper. I am myself a shareholder of the Imperial Bank, I hold not only one share, but I hold several shares, but from the speech of my distinguished friend and from the additional facts which I propose to lay before the House presently, I am quite willing to lose my shares if the Imperial Bank is allowed to cease to exist.

Sir, we have been hearing a good deal about the special facilities which the Imperial Bank has provided for Indian trade and commerce. I should like to examine some of these facilities. Here, if you take a cheque for Rs. 10 on the Imperial Bank to any of its branches, the branch will at once charge you eight annas discount. The discount is four annas per cent., with a minimum discount of eight annas. If you cash a cheque for Rs. 10, you will only get Rs. 9-8-0. Most of us are familiar

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with the banking system in Europe, and I ask you whether you have to pay this discount anywhere in London? You take a cheque to any bank and cash it at par and no discount has to be paid. Then why should we pay discount in India? I call this swindling, though you may call it facility. The second thing is they say they provided banking facilities in smaller places where those facilities do not exist. Yes, but in smaller places people are engaged in agriculture. If the Imperial Bank makes advances on the security of landed property, then it will be doing a service, but the Imperial Bank does not advance money on the security of landed property.

An Honourable Member : Not directly, but indirectly it does.

Dr. Ziauddin Ahmad : What is the result? The result is that the local rates of interest remain where they were before. The Bank rate has been diminished from 7 per cent. to $3\frac{1}{2}$ per cent., but the local rates of interest charged by the *mahajans* and local bankers remain exactly in the same position, because they are the persons who advance money on the security of landed property. If the Imperial Bank desired to do service to the country, then it ought to have made it the first rule that it would advance money at the bank rate on the security of landed property.

The Honourable Sir George Schuster : May I point out to my Honourable friend that they are precluded by law from doing so.

Dr. Ziauddin Ahmad : I am merely narrating the facts as they are. They may be due to law made by the Legislature before we came into existence, or may have been made by the Directors, but the facts remain. It is immaterial how the Act was first framed. We could have changed it, had we been required to do so. But the fact remains that the lower rate of interest of the Imperial Bank has not lowered the rate of interest in the case of local banks and absolutely no good has been done to the landed proprietors and agriculturists who form the bulk of the population of this country and they are exactly in the same position as they were before. Recently, the Imperial Bank of India has introduced a new rule that you must keep a sufficient amount of money in the Bank, whose interest may cover the expenditure on keeping the accounts. This is a recent rule. This is not under the Act, and this rule has been made by the Directors. This rule does not help the banking system of this country. It rather frightens away people from keeping their money in the banks. These are the actions which the Imperial Bank have taken and they are not very encouraging so far as the landed interests are concerned. The Bank may have proved to be useful, which is very doubtful, to a few firms in big towns like Bombay, Calcutta, and possibly Madras.

Sir, I do not like to enlarge on this topic, but I should very much emphasise that our relations with all the banks should be uniform, that is, that no bank should be placed in an advantageous position. One thing more I should like to say in this connection. Though I am not unwilling to extend these privileges to foreign banks, but I would like to put down one condition before their names are entered in the Second Schedule of this Bill. That is, that each of these foreign banks should keep the accounts of the Indian branch quite separately and they should

be in a position to submit their audited balance sheets to the proper quarters in the same manner as the other Indian banks are doing.... (*An Honourable Member*: "And publish them also.").....and publish them too. This ought to be a condition before we can recognise any of the branches of any foreign bank.

I leave the question of the Imperial Bank, and I take up the last point. If unfortunately it is decided that this Reserve Bank of ours should be a Shareholders' Bank, then what action should be taken to safeguard the interests of poor taxpayers like myself? Before I deal with it, I desire to relate one more story. There was a person who did not like to eat *laddus* from a particular shop. One person brought 300 *laddus* for him and told him that he purchased them from that particular shop. Then he could not take them. What did the other person do? He bought five *laddus* from another shop and mixed them with the 300 *laddus*. He took out the first *laddu* and said in his mind; "This may not be the *laddu* from that particular shop"; and so saying he ate the first *laddu*. He repeated the process till he ate all the 305 *laddus*. He ate all the 305 *laddus* under the pretence of what lawyers call "the benefit of doubt". By using the catchword, he conscientiously ate all the 305 *laddus*. This is exactly what we are doing here. We are going to hand over the question of Indian credit and finance to these private persons. These private individuals are going to bring in five crores of rupees, and we are going to hand over to them the whole of the financial credit of India which at one time was valued at Rs. 300 crores. These capitalists will really take possession with their five crores of rupees, Rs. 300 crores belonging to Indian taxpayers. Thus we are handing over, under another catchword, the catchword of "political influence", our 300 crores to persons who brought in 5 crores.

My Honourable friend, Mr. Vidya Sagar Pandya, has mentioned certain restrictions which he would like to impose upon the Reserve Bank if, unfortunately, it is a Shareholders' Bank. I would also like to add a few more restrictions. I would like to put down, like the Assembly election, one man one vote. The votes should not be determined by the number of shares a person holds; but one man should have only one vote. In the Assembly election a person may possess several qualifications, but he has only one vote. And, in order to avoid one person buying shares in the name of minor sons and daughters, etc., I would like to add one more condition and that is that only persons above the age of 18 should exercise the right of voting and nobody else. The guardian should not be able to exercise the right of voting. Another condition, I would like to have, is that no person should have more than ten shares. This is really a very liberal account. Shares should not be monopolised by a few capitalists. The next condition is that a person, who is a shareholder in one particular province or locality, should not be allowed to purchase shares in another locality. If purchasers are not available, then Government, for the time being, may buy those shares and sell them as soon as the buyers are available. Now, the other thing is that we have set up an indirect election for the Directors. They are to be elected by local boards. I do not seriously object to this indirect election though I would prefer myself a direct election. I do not seriously object to it, but the number of persons who are

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going to elect the Directors is too small. That is, the number in the electoral colleges are very few. Therefore, it is very desirable that their number should be increased, so that we might have a true representative and I think we cannot have an indirect election in which the number of persons in the electoral college are so few. The next thing which was pointed out also by my friend, Mr. Pandya, is that, even if it be a Shareholders' Bank, there ought to be annual reports which ought to be published and the two Houses of the Legislature should have a right to criticise the report and pass Resolutions on it. Though it may be a private Shareholders' Bank, we must remember that these shareholders have brought only five crores of rupees, and really the bulk of the capital belongs to the Indian taxpayers, and we must also remember that the losses of this Reserve Bank will be borne by the Indian taxpayers and, therefore, we are intimately interested in the whole problem. The next thing is that we should not show favour to any particular bank. All the banks should be placed on the same footing and no favour should be shown to one bank, which may be unfair to the general banking problem of the whole country. If we place one particular bank in a more favourable position, then naturally the other banks would suffer. The next thing is, we ought not to make the Reserve Bank a new concern for profiteering purposes. We know that the Imperial Bank has long been paying an interest of 18 per cent. Now, they have recently reduced it from 18 to 12. Even 12 per cent. is rather high. The bank rate is only $3\frac{1}{2}$. Therefore, I am quite willing to give a slightly higher per cent., one per cent. higher than the bank rate and, in any case, it should not be more than 6 per cent. I would like to put down explicitly that these shareholders are not entitled to have any dividend more than one per cent. above the bank rate. I think we might discuss these and similar other restrictions when we come to a discussion of the details. I will sum up my remarks. I am very strongly in favour of establishing a Reserve Bank. I suppose that is the principle of the Bill, that a Reserve Bank should be established and I give my heartiest support to it. We hope it will be left to the Select Committee to consider whether it should be a Government Bank or a Shareholders' Bank, but if the Select Committee is precluded from discussing whether it should be a State Bank or a Shareholders' Bank, then I would rather like that this Bill should be circulated to elicit public opinion; but if we could discuss this particular thing also in the Select Committee, then we would not mind going to Select Committee and discuss face to face with the opposite opinions and come to some conclusions which may be advantageous to the taxpayers of this country and which may not put our neck in the hands of the capitalists of this country or abroad.

Mr. Gaya Prasad Singh : Sir, Never before, perhaps, in the history of legislative business in this House was a more far reaching measure introduced than the one which we are discussing today; but, Sir, I have to utter a note of regret that the time which has elapsed between the introduction of the Bill and its discussion on the floor of the House today has not been more ample than has been given to us by the

Government. A Bill of this nature requires to be studied from all points of view, but I must take things as they are, and proceed with some general observations on the Bill as they occur to me today.

We have before us two motions down on the Agenda Paper. One is for the reference of the Bill to a Joint Committee of both Houses, and another is for the circulation of the Bill for the purposes of eliciting opinions thereon. Now, I must say, Sir, that if the House accepts the motion for the Select Committee, it would have accepted the principle of the Bill. That leads me to try and discover what is the main principle of the Bill. My Honourable friend, the Finance Member, in his Statement of Objects and Reasons says: "The object of this Bill is to set up a Reserve Bank for India." Now, with regard to this, I think there will be a unanimity of opinion both in this House as well as in the country outside that a Reserve Bank on approved lines ought to be established in this country; but the difficulty arises as to what sort of Reserve Bank it is to be, its constitution and the handling of the finances of the country, and the control over the Reserve Bank. These are some of the questions that must be carefully looked into before we commit ourselves to the principle of the Bill. My Honourable friend, the Finance Member, in the course of his speech this morning reiterated that he wanted to keep the Reserve Bank free from political influences. I should like to inquire in this connection whether the Bill in its present form is free from another sort of political influence or not. I find that most of the powers have been designed to be concentrated in the hands of the Governor General. If the Governor General does not represent the largest political party in this country, I should like to know what else does he represent. The Governor General is responsible to the Secretary of State, and the Secretary of State, as we all know, in these financial matters, is more or less influenced by the financial magnates of the City of London, and of the interests of England, than of this country. Therefore, Sir, under the scheme propounded in this Bill, I take it that the political influence will play upon it though of a character quite different from the one which we contemplate. Powerful City interests in London will have a voice in the actual working of this Bank, and that will be an influence which will not be in accord with the interests of the masses of this country. In this connection I should like to refer to the Despatch of the Government of India on Constitutional Reforms in 1930. In the course of that Despatch they said:

"It would be possible to convince Indian opinion of the desirability that such a Bank should work in close co-operation with and on lines approved by the Bank of England."

That gives away the whole case. The Reserve Bank which is sought to be established will be a sort of appendage to the Bank of England. This feature of the proposal before the House is open to serious objection from the point of view of the larger interests of the country.

I will next refer to the proposal that this Bank should be a Shareholders' Bank. Opinion in the country is practically unanimous that, instead of having a Shareholders' Bank, the Bank should be a State Bank. I am glad that at least one member of the London Committee, Rai Bahadur Lala Ram Saran Das, did dissent from the view of the majority of the members of that Committee, and appended a note that it should be a State Bank rather than a Shareholders' Bank. When a Bill

[Mr. Gaya Prasad Singh.]

of a somewhat similar character was before the House a few years ago, Sir Basil Blackett agreed afterwards to a State Bank, but powerful influences were brought to bear upon him by the Secretary of State, and he resiled from the position which he then took up and the whole scheme was knocked on the head. To entrust currency and exchange to big capitalists and exploiters of the masses of the people is not the sort of arrangement which will commend itself to some of us on this side of the House. Clause 17 of the Bill sets out in some detail the business which this Bank will be called upon to transact. Some of these items are as follows : The accepting of money on deposit without interest and the collection of money for the Secretary of State in Council, the Governor General in Council, Local Governments, States in India, Banks and other persons : purchase, sale and re-discount on bills of exchange and promissory notes. I am not going to read out all the different items in this list, but I will refer only to a few of them in order to show the important nature of the work which this Bank will be called upon to transact : Gold coin or bullion or documents of title to the same ; promissory notes of any scheduled bank ; the making of advances to the Governor General in Council ; the issue of demand drafts, and the making, issue and circulation of bank post bills ; the purchase and sale of securities ; the custody of monies, securities and other articles of value ; the sale and realisation of all property, whether movable or immovable, which may in any way come into the possession of the Bank ; the acting as agent for the Secretary of State in Council, the Governor General in Council or any Local Government or State in India ; the purchase and sale of gold or silver ; the purchase, sale, transfer and custody of bills of exchange, securities or shares in any company ; the collection of the proceeds, whether principal, interest or dividends, of any securities or shares ; the management of public debt ; the issue of notes ; the purchase and sale of gold coin and bullion, and so on.

It will, therefore, be seen that the business which this Bank will be called upon to transact will be of enormous importance, and it will be rather dangerous to entrust the affairs of the Bank to private shareholders whose interests may not always coincide with the interests of the people of this country generally. Sir, it will be found that the shareholders generally are hankering more after their personal profits and gains, and they are not always solicitous about the interests of the people of the country. My Honourable friend, Mr. Vidya Sagar Pandya, has referred in some detail to the manner in which the Imperial Bank of India is being carried on. I am afraid that, if this Bank is established as a Shareholders Bank, it may also fall into the same error in which the Imperial Bank has fallen. Now, in other countries also there are instances of State Banks, as, for instance, Australia. Another feature to which objection is to be taken in connection with the proposals of the Government is the total absence of any reference to the nationality of the shareholders. In the best interests of this country, there ought to be a restriction to the sale of shares only to the nationals of this country.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member will resume his speech tomorrow.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 12th September, 1933.

LEGISLATIVE ASSEMBLY.

Tuesday, 12th September, 1933.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS.

GRADES OF OFFICERS IN THE MADRAS CUSTOMS PREVENTIVE STAFF

792. ***Mr. K. P. Thampan** : Will Government be pleased to state :

- (a) if it is a fact that in the Madras Customs Preventive Staff there are two grades of officers with different scales of salary ;
- (b) if they are of the same qualifications and perform the same nature of work ;
- (c) if this system obtains in Madras alone and that in Bombay, Calcutta, Karachi, Rangoon and other places there is only one grade ;
- (d) if the answer to part (c) be in the affirmative, what is the reason for continuing this distinction in Madras ;
- (e) if they are prepared to consider the desirability of abolishing the two grades in Madras and introduce an uniform grade for all ports in India ?

The Honourable Sir George Schuster : (a) Yes.

(b) No.

(c) No. There are two classes of Preventive Officers at Karachi, Bombay and Burma Outports.

(d) Does not arise.

(e) No.

Mr. K. P. Thampan : Do I understand that there are Assistant Preventive Officers not only in Madras, but also in other major ports like Calcutta and Bombay ?

The Honourable Sir George Schuster : Yes, Sir. If the Honourable Member had followed my answer to part (c), he would find that I said " there are two classes of Preventive Officers at Karachi, Bombay and Burma Outports."

NEW OVERTIME RULES FOR THE ASSISTANT PREVENTIVE OFFICERS OF THE MADRAS CUSTOMS OFFICE.

793. ***Mr. K. P. Thampan** : Will Government be pleased to state :

- (a) whether they have received a memorial from the Assistant Preventive Officers of the Madras Customs Office regarding the new overtime rules ;

- (b) whether the new rules were introduced as the outcome of some anonymous petitions ; if so, why ;
- (c) if it is a fact that after the introduction of the new rules the overtime earnings of an Assistant Preventive Officer have been considerably reduced and whether they are aware that there is considerable discontent among them ;
- (d) whether they are prepared to undertake an enquiry and redress the grievances of the Assistant Preventive Officers ?

The Honourable Sir George Schuster : (a) Yes.

(b) No.

(c) The new rules aim at a more equitable distribution of overtime earnings. The ratio of overtime earnings to salary is even now greater for an Assistant Preventive Officer than for a Preventive Officer. The Government of India are not aware of any discontent.

(d) The question has already been considered and Government do not consider that any change is necessary.

Mr. K. P. Thampan : Considering the lower scale of salary of these Assistant Preventive Officers, may I know if the rules could not be revised more favourably to them ?

The Honourable Sir George Schuster : As my answer implies, we have considered the matter very carefully and we consider that the present conditions are quite fair.

Mr. K. P. Thampan : Is it a fact that in other ports, such as Calcutta and Bombay, also, the overtime rules are more or less on the same lines that are recently introduced in Madras ?

The Honourable Sir George Schuster : I must ask for notice. I must enquire into the question whether the overtime rules are exactly the same in all ports.

Mr. K. P. Thampan : Will the Honourable Member please enquire and communicate to me ?

The Honourable Sir George Schuster : Yes.

PROPOSED REVISION OF THE TERMS OF THE OTTAWA AGREEMENT.

794. ***Mr. K. P. Thampan :** Will Government be pleased to state :

- (a) whether their attention has been drawn to a Renter's message, dated London, July 20, regarding the decision to hold a series of meetings between the British and Dominion Government delegates with a view to revise the terms of the Ottawa Agreements ;
- (b) whether Government have deputed any one to represent them at these meetings ;
- (c) in what important commodities, judged from the experience of the last six months, are the Agreements not working favourably to Indian interests ?

The Honourable Sir Joseph Bhore : (a) Yes.

(b) and (c). The Honourable Member is referred to the reply given on the 1st September, 1933, to starred question No. 371 on the same subject.

Mr. K. P. Thampan : I did not hear the Honourable Member well. May I know whether any definite decisions were arrived at at that Conference ?

The Honourable Sir Joseph Bore : The general gist of my reply on that occasion was that we had no information of what took place.

Mr. K. P. Thampan : Were the Government of India represented at that Conference ?

The Honourable Sir Joseph Bore : To the best of my recollection, no, Sir. We have no information, as far as I remember, about this matter, nor have we, I believe, any information as to what was actually discussed at that Conference.

Mr. K. P. Thampan : May I know, whether judging from the experience of the last so many months, the Ottawa Trade Agreement is working entirely to the benefit of Great Britain and that the exports from India have not appreciably increased ?

The Honourable Sir Joseph Bore : A few days ago, in reply to a question, I laid statistical information that was available on the table of the House and I would suggest to my Honourable friend that he should consult the information that I then laid before the House. He will, I think, find that it does not really bear out his suggestion.

Mr. K. P. Thampan : What does the Honourable Member himself think about the working of the Ottawa Agreement ?

The Honourable Sir Joseph Bore : I prefer for the present to withhold my opinion on that point.

Dr. Ziauddin Ahmad : Will the Honourable Member give the Assembly an opportunity to discuss the results of the working of the Ottawa Agreement as soon as the 12 months are over ?

The Honourable Sir Joseph Bore : As Honourable Members in the Assembly are aware, we are pledged to setting up a representative committee of this Assembly to examine from time to time the results of the working of that Agreement. Either in the next Session or in the early part of the Budget Session, I propose to move for the setting up of such a Committee. When it is constituted, all the facts available will be placed before it.

Mr. F. E. James : May I take it that if the Government are convinced that as regards any particular article, the preference given in the United Kingdom is not adequate, in view of all the circumstances, to confer any benefit on the Indian producer, then the Government will represent to His Majesty's Government the possibility of increasing the preference before the Committee is set up by the Assembly ?

The Honourable Sir Joseph Bore : I have always refused, in fact I refused yesterday to reply to hypothetical questions put to me, but I can assure the House that if at any time information comes to our hand which makes it advisable for us to seek the alteration of

the agreement to the advantage of this country, we shall not hesitate to try and do so.

Mr. F. E. James : May I know whether the Government feel bound to the present preferences until the Committee of the House which is envisaged has reported ?

The Honourable Sir Joseph Bhoré : I would like to make it perfectly clear to the House that if, at any time, we consider that we can better the Agreement that we came to with the United Kingdom from our point of view, and if it could reasonably be done, we shall not hesitate to try and do so.

Mr. B. Das : Were the Government approached by any section of the so-called Indian producers to make representation to the United Kingdom to alter the present Agreement ?

The Honourable Sir Joseph Bhoré : I must ask for notice, because I think we have received a number of representations in connection with the Agreement.

Mr. Gaya Prasad Singh : In any further preferential treatment that may be given to the products of the United Kingdom, will the interests of the consumers of India be carefully watched ?

The Honourable Sir Joseph Bhoré : I think we always bear all interests in mind.

Dr. Ziauddin Ahmad : I understand from the reply of the Honourable Member that the Government of India have no information so far about the message sent by Reuter. In case this message comes out to be true, and since the Assembly will no longer be sitting, may I request the Honourable Member to convey to His Majesty's Government the strong desire and feeling of this Assembly that in future the representatives of India should be sent from India and should not be represented by persons already in England ?

The Honourable Sir Joseph Bhoré : I am not in a position to commit myself in any way.

Dr. Ziauddin Ahmad : Very often India is represented by men who have not got personal knowledge of India on the present day problems. It is our wish that, if India is to be represented at all, she must be represented by persons who have got knowledge of the present day problems, and not by persons who have never visited India or who left India more than six months ago.

The Honourable Sir Joseph Bhoré : My Honourable friend may rest assured that the representatives of India will always be chosen from amongst those who have up-to-date and complete knowledge of the problems in India.

CASE OF ONE MR. BHARTHI, *ex-GUARD*, EAST INDIAN RAILWAY.

795. ***Pandit Satyendra Nath Sen :** (a) Is it a fact that Mr. Bharthi, *ex-Guard*, East Indian Railway, preferred an appeal to the Agent, East Indian Railway, Calcutta, through the Divisional Superintendent which was withheld by the latter under paragraph 15 (iv) of rules for discharge and dismissal of State Railway non-gazetted servants ?

(b) Is it a fact that the Divisional Superintendent in his letter to Mr. Bharthi said that the order of discharge was passed not by him, but by the Superintendent Transportation and that the investigation ordered by his predecessor would take place ?

(c) Will Government be pleased to state what the order of his predecessor actually was and who investigated the case and in whose presence, and what the report was ?

(d) Is it a fact that rules 6 and 14 for discharge and dismissal of State Railway non-gazetted Government Servants, framed by the Railway Board, have been violated in this case ? If so, why ?

(e) Is it a fact that Mr. Bharthi preferred an appeal to the Government of India, which was sent to the Divisional Superintendent for disposal, and on which the Divisional Superintendent wrote to Mr. Bharthi as follows :

“ Your appeal to His Excellency the Viceroy has been sent to me for disposal, as no appeal lies to any one above me, I have nothing to add to what I have said ” ?

(f) Is it a fact that Mr. Bharthi submitted to the Divisional Superintendent a copy of the written statement of his witness regarding his insult ?

(g) Will Government be pleased to state whether Mr. Bharthi, under Government of India Circular No. 3267-A., dated the 8th July, 1916, and repeated in 1929 and 1930 is entitled to represent his case to the Government of India ?

(h) Will Government be pleased to state if the appeal of Mr. Bharthi was forwarded to the Agent, East Indian Railway, by the Secretary, Indian Soldiers' Board (*vide* his No. 57|Emp.|5100, Government of India, dated the 11th March, 1933, New Delhi) for reinstatement ? If so, what action was taken by the Agent ?

Mr. P. R. Rau : Government have no information but are enquiring into the matter, and, if they find that the procedure adopted was contrary to the existing rules, they will consider what action is necessary to set the matter right.

Mr. Lalchand Navalrai : May I know if these Divisional Officers, against whose decision an appeal is preferred, withhold the appeal, what is the remedy to the applicant ?

Mr. P. R. Rau : A Divisional Officer can withhold an appeal only for definite reasons and he has to communicate those reasons to the petitioner.

Mr. Lalchand Navalrai : Supposing in fact he has done it very wrongly, what is the remedy left ?

Mr. P. R. Rau : The rules definitely lay down that for certain reasons appeals may be withheld and, if the Divisional Officer withholds appeals contrary to those rules, the matter will be looked into.

Mr. Lalchand Navalrai : But my point is that if the Divisional Officer decides an appeal whether rightly or wrongly and withholds it, and the applicant is not satisfied, what is the reasonable course left to him, or is he doomed ?

Mr. P. R. Rau : There must be a limit to appeals, Sir.

Mr. Lalchand Navalrai : I am asking about cases in which a wrong has been done. I would ask the Honourable Member to consider the rules on that point and, if there is any necessity for changing the rules, they may be changed for the purpose of doing justice.

Mr. P. R. Rau : The rules provide for certain appeals and Government consider that they have in the rules allowed for all reasonable chances of appeal to an aggrieved employee.

Mr. Lalchand Navalrai : My Honourable friend is only repeating. I am asking whether the Honourable Member is prepared to go into this question and give a chance to these unfortunate people who are not able to reach the Agent.

Mr. P. R. Rau : I am afraid the Honourable Member is repeating the same question over and over again. I cannot say what exactly he is after. If he has any suggestions to make, I shall be quite prepared to consider them.

Mr. Lalchand Navalrai : My suggestion is that where certain appeals are wrongly withheld, some opportunity should be allowed to these people to reach the Agent and represent the case.

Mr. P. R. Rau : If appeals are wrongly withheld, certainly the Agent will look into the matter.

Mr. M. Maswood Ahmad : Have Government mentioned in the rules the reasons for which appeals may be withheld ?

Mr. P. R. Rau : I think so, Sir.

Pandit Satyendra Nath Sen : Did the Honourable Member suggest that the right procedure was adopted in the present case ?

Mr. P. R. Rau : I said that Government are making inquiries into the matter and, if they find that the procedure adopted was contrary to the existing rules, they will consider what action is necessary.

Mr. M. Maswood Ahmad : Can an employee send an advance copy of the appeal to the Agent ?

Mr. P. R. Rau : There is nothing to prevent him from doing so.

Mr. Lalchand Navalrai : In case the appeal is wrongly withheld, what is the course left to the applicant to reach the Agent ? Has he got to go again through the Divisional Officer or can he send his appeal direct to the Agent against the wrongful withholding ?

Mr. P. R. Rau : As a matter of fact, I believe employees very often send their appeals direct in a large number of cases.

Mr. M. Maswood Ahmad : Can an employee appeal to the Agent against an order withholding the application ?

Mr. P. R. Rau : If the application has been wrongly withheld, I suppose they are at liberty to do so.

DISCHARGE ORDERS PASSED IN THE DINAPORE DIVISION, EAST INDIAN RAILWAY.

796. ***Pandit Satyendra Nath Sen :** In how many cases have orders of discharge been passed in the Dinapore Division of the East Indian

Railway since 1931 ? How many of those have been reversed after re-consideration ?

Mr. P. R. Rau. Government have no information.

RETRENCHMENT IN THE SURVEY OF INDIA DEPARTMENT.

797. ***Seth Haji Abdoola Haroon :** (a) Will Government be pleased to state whether retrenchment was made in class II Service of the Survey of India Department in 1931 ?

(b) If so, how many officers and other clerks were picked out of the total workers ?

(c) Is it a fact that since the beginning, the above department has remained the monopoly of Anglo-Indians ?

(d) Will Government be pleased to state how many officers are there in the above department who are still in service although they are over 50 years in age ?

(e) Is it a fact that fresh hands are to be recruited in the near future to fill up vacancies in the class II Service ?

(f) If so, are Government prepared to appoint the retrenched young officers, who have spent the best part of their lives in the department, for the above stated vacancies ?

Mr. G. S. Bajpai : (a) Yes.

The other parts of the question presumably refer only to Class II of the Survey of India. On this assumption, the replies are :

(b) 22 officers and 1 probationer. There are no clerks.

(c) I would refer the Honourable Member to the reply given to part (c) of starred question No 349 in this House on the 1st September, 1933.

(d) Four.

(e) Yes.

(f) The Honourable Member is referred to the reply given to part (c) of starred question No. 346 in this House on the 1st September, 1933.

RETRENCHMENT IN THE EAST INDIAN RAILWAY PRESS.

798. ***Rai Bahadur Lala Brij Kishore :** (a) Is it a fact that at the time of retrenchment in 1931 in the East Indian Railway Press, Calcutta, 16 Compositors, 26 Binders and 9 Distributors and a number of other operatives were reduced, but none of the supervising staff, such as Overseers, Foremen, Section Holders, Computers, Clerks, Time-keepers, etc., were touched ?

(b) Is it a fact that in 1926 there were only two Jamadars to supervise the work of the Binders, whereas at present there are five Supervisors, viz., one Foreman, two Assistant Foremen, one Jamadar and one Assistant Jamadar, in the binding section who perform identically the same duties ?

(c) Is it a fact that in 1926 there were only two Section-Holders to supervise the work of the Compositors while now, after the reduction of

operatives (in 1926, 101 Compositors, at present 75), there are one Foreman and four Section Holders for the same purpose ?

(d) Is it a fact that the payment of wages on the monthly salary basis has been introduced in the East Indian Railway and Eastern Bengal Railway Presses, Calcutta, in place of the piece system ?

(e) Have Government considered whether in the case of the payment of wages on a salary basis the services of the Computers are not necessary for calculating the wages of the Operatives ?

(f) Is it a fact that the Superintendent of the Eastern Bengal Railway Press informed the Railway Board that after the introduction of the monthly salary system the posts of the Computers were superfluous and that he did actually abolish the same posts of the Computers in his Press ?

(g) Is it a fact that in 1926 there were only two Computers in the East Indian Railway Press, whereas at present the number of the said Computers is 16, and that the strength of the operatives has considerably decreased due to the retrenchment in 1931 and to the introduction of the monthly salary system ?

(h) Is it a fact that the following is a correct statement of the comparative strength of the supervising staff in the East Indian Railway Press, Calcutta and Howrah, in 1926 and at present ?

	1926.	At present.
Overseer	1	2
Foremen	1	4
Assistant Foremen.. ..	<i>Nil</i>	2
Office Superintendent	<i>Nil</i>	1
Press Mechanic	<i>Nil</i>	1
Section-holders	2	4
Machine Jamadars	1	3
Computers (including Asstt. Computers) ..	2	16
Time-keeper (including Asstt. Time-keepers)	3	4
Clerks	36	44
Checkers	<i>Nil</i>	2

(i) If answers to parts (a) to (h) be in the affirmative, will Government be pleased to state whether they have satisfied themselves that the existing number of posts in the supervising staff and among the clerks in the East Indian Railway Press, Calcutta and Howrah, do not contain many surplus hands ? If not, why not ?

Mr. P. R. Rau : With your permission, Sir, I propose to reply to questions Nos. 798 to 801 and 803 to 813 together. Government have not full information on the various points raised but are obtaining whatever information is readily available and I will lay a reply on the table of the House, in due course.

RETRENCHMENT IN THE EAST INDIAN RAILWAY PRESS.

†799. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that the Railway Board have recently issued further instructions for retrenchment of the staff in the East Indian Railway Press ?

(b) Is it a fact that the Agent, East Indian Railway, has informed the Secretary of the Press Employees Association, Calcutta, that further reductions of staff in the said Press will be undertaken shortly, and has invited the opinion of the Association in the matter ?

(c) Is it a fact that the Secretary, Press Employees' Association, in his letter dated the 9th August, 1932, protested against this distinction and pointed out that the Operatives, specially the Binders, were now fully employed ?

(d) Is it a fact that Mr. A. F. Slater, who was appointed a Special Officer at an enormous cost to enquire into the scheme of reorganising the Printing Offices of the Railways, recommended in 1930 that the minimum strength of the Compositors and Binders in East Indian Railway Press should be 79 and 175, respectively ?

(e) Is it a fact that the present strength of the Compositors and the Binders in the said Press is 75 and 154, respectively ?

(f) Is it a fact that owing to pressure of work in the binding department :

(i) men belonging to the departments of Machine, Inkman, Packer-man, etc., are now daily being engaged to do the work of the Binders ;

(ii) extra temporary Compositors are still working ;

(iii) overtime is also going on ?

(g) Will Government be pleased to lay on the table a copy of the letter referred to above written by the Secretary, Press Employees' Association ?

(h) If answers to parts (b) to (g) be in the affirmative, will Government be pleased to state :

(i) the reasons of the Agent's proposal for reduction of Operatives ;

(ii) whether Government propose to reduce the existing number of the supervising staff such as Overseer, Foreman, Computer, Checker, Clerks, etc., at the time of the proposed retrenchment ? If not, why not ?

PURCHASE OF TIME-RECORDER MACHINES BY THE EAST INDIAN RAILWAY PRESS.

†800. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that in the East Indian Railway Press four time-recorder machines, viz., Glendhill Brook time clocks, etc., were purchased ?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to state :

(i) the cost and the date of the purchase of each machine ;

- (ii) what their uses are ; and
- (iii) whether these machines make the services of the Time-Keepers redundant ? If so, whether the number of the Time-Keepers has been reduced accordingly ?

PURCHASE OF CERTAIN MACHINES BY THE EAST INDIAN RAILWAY PRESS.

†801. ***Rai Bahadur Lala Brij Kishore :** (a) Will Government be pleased to lay on the table a statement showing the number of (i) Rotary, (ii) Envelope, (iii) Folding, (iv) Cutting, (v) Mono., (vi) Lino and other machines bought by the East Indian Railway Press from 1914 to 1931, year by year ?

(b) Is it a fact that a number of machines, viz., one Envelope machine and one Rotary, have never been used since their purchase ?

(c) Will Government be pleased to state the amount, if any, realised as discount on the purchase of each machine ?

(d) Will Government be pleased to lay on the table a statement showing, year by year, from 1914 to 1931 :

- (i) the number of machines and presses sold by the East Indian Railway Press, Calcutta and Howrah ;
- (ii) the amount for which each was sold, together with the original price for which each was bought, as well as the dates of purchase and sale of each ?

SALE OF WASTE PAPER IN THE EAST INDIAN RAILWAY PRESS.

802. ***Rai Bahadur Lala Brij Kishore :** (a) Will Government be pleased to state whether the East Indian Railway Press, Calcutta and Howrah, call for tenders for the sale of old papers ?

(b) If the answer to part (a) be in the negative, will Government be pleased to state the reason for not doing so ?

(c) Will Government be pleased to lay on the table a statement showing, year by year, from 1915 to 1931, the amount realised from the sale of waste paper ?

Mr. P. R. Rau : I would refer the Honourable Member to the reply given by Sir Alan Parsons to question No. 381 by Mr. S. C. Mitra on the 11th February, 1931.

PURCHASE OF CERTAIN MACHINES BY THE EAST INDIAN RAILWAY PRESS.

†803. ***Rai Bahadur Lala Brij Kishore :** (a) Is it a fact that two Lino. and seven Mono. machines and six Mono.-casting machines were purchased in the East Indian Railway Press immediately after the East Indian Railway became a State Railway ?

(b) Is it a fact that the Mono. machines cause to the Government a loss of 40 per cent. while the lino. machines cause a 20 per cent. loss ?

(c) Is it a fact that matters composed in Mono. or Lino. machines have to be melted away after printing, and that such melting can go on for five times only ?

†For answer to this question, see answer to question No. 798.

(d) Is it a fact that hand-composed matter lasts 90 lakhs of impressions ?

(e) Is it a fact that Hand Compositors are entitled to remuneration after the first reading, second reading, third reading, revised corrections and rule dress-up are finished ?

(f) Will Government be pleased to lay on the table a comparative statement showing the cost of composing by hand 44 × 72 Em non-pareil type 15 column statement, and that of having it in a Mono-machine, noting specifically the charge of :

- (i) Operator ;
- (ii) Caster ;
- (iii) Arranging ;
- (iv) First reading corrections ;
- (v) Second reading corrections ;
- (vi) Third reading corrections ;
- (vii) Revise corrections ;
- (viii) Rule Dress up ;
- (ix) Gas ;
- (x) Electricity ;
- (xi) Water ; and
- (xii) Metal ?

(g) If the replies to parts (a), (b), (c), (d) and (e) be in the affirmative, will Government be pleased to state why they are replacing hand composition by Lino. and Mono. machines ?

MEMORIAL FROM CERTAIN EMPLOYEES OF THE EAST INDIAN AND THE EASTERN
BENGAL RAILWAY PRESSES.

†804. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that the Honourable Member in charge of Railways and Commerce received a memorial, dated the 12th January, 1931, from the Compositors, Distributors and Binders of the East Indian Railway Press, Calcutta and Howrah, and the Eastern Bengal Railway Press, Calcutta ?

(b) If the answer to part (a) be in the affirmative, will Government be pleased to lay on the table a copy of the said memorial ?

(c) Will the Honourable Member in charge of Railways and Commerce, be pleased to state :

- (i) what action has been taken or is intended to be taken in the matter ;
- (ii) if no action has been taken or is intended to be taken, the reasons therefor ?

RETRENCHMENTS AND REDUCTIONS IN THE OPERATIVE STAFF OF THE EAST
INDIAN RAILWAY PRESS.

†805. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that following the amalgamation of the Eastern Bengal Railway Press with

†For answer to this question, see answer to question No. 798.

the East Indian Railway Press, retrenchments and reductions have been made in the operative staff of the East Indian Railway Press ?

(b) Are Government aware that the operative staff of the East Indian Railway Press held a meeting of the Press-workers affected by the said amalgamation on July 29, 1933, at Calcutta, and passed resolutions expressing their grave apprehensions and that a copy of those resolutions was duly forwarded to the Honourable Member in charge, Department of Railways and Commerce, by the Secretary, Press Employees' Association, Calcutta, on the 31st July, 1933 ?

(c) Is it a fact that the Agent, East Indian Railway, addressed a letter to the Secretary, Press Employees' Association, Calcutta, dated the 23rd June, 1933, and enclosed a list showing by categories the "surplus" staff in the Printing Department ?

(d) Is it a fact that the post of the Assistant Time-keeper and ten posts of clerks were shown as "surplus" in the said list ?

(e) Is it a fact that the said posts of the Assistant Time-keeper and the clerks have subsequently been kept intact while eleven operatives have been marked out "surplus" instead ?

(f) What action do they propose to take for remedying such irregularities ?

STAFF OF THE EASTERN BENGAL RAILWAY PRESS.

†806. ***Rai Bahadur Lala Brij Kishore** : (a) Is it a fact that the staff of the Eastern Bengal Railway Press were guided by the General Manual of the Eastern Bengal Railway ?

(b) Is it a fact that the staff of the Eastern Bengal Railway Press were divided into two heads, viz.,

(i) ministerial and (ii) industrial, under the said Manual ?

(c) Is it a fact that in a notice over the signature of Mr. I. T. St. Pringle for the Agent, Eastern Bengal Railway, in July, 1933, to the Eastern Bengal Railway Press staff taken over by the East Indian Railway, the term "workshop staff of the Eastern Bengal Railway Press" occurs ?

(d) If the answers to parts (a) to (c) be in the affirmative, will Government be pleased to state the reason and the authority under which the term "workshop staff of the Eastern Bengal Railway Press" was employed in the said notice by Mr. Pringle ?

DISCONTINUANCE OF THE PRIVILEGE OF ALLOWING FREE PASSES TO THE COMPOSITORS OF THE EAST INDIAN RAILWAY PRESS.

†807. ***Rai Bahadur Lala Brij Kishore** : (a) Is it a fact that according to the Railway Board's orders in 1905, the Compositors of the East Indian Railway Press, Calcutta, drawing a pay of Rs. 20 and over were treated as Clerks and were allowed free Intermediate Class passes ?

(b) Is it a fact that the privilege thus enjoyed by the Compositors has been discontinued since 1921 ?

†For answer to this question, see answer to question No. 798.

(c) If the answers to parts (a) and (b) be in the affirmative, will Government be pleased to state the reasons for the discontinuance of a long-enjoyed privilege ?

RESOLUTIONS PASSED BY THE EMPLOYEES OF THE EAST INDIAN AND EASTERN BENGAL RAILWAY PRESSES.

†808. ***Rai Bahadur Lala Brij Kishore** : (a) Is it a fact that the Secretary, Press Employees' Association, Calcutta, sent a letter, dated the 31st July, 1935, to the Honourable Member in charge, Department of Railways and Commerce, forwarding therewith a copy of the resolutions passed at a mass meeting of the employees of the East Indian and Eastern Bengal Railway Presses held at Sealdah, Calcutta, on July 29, last ?

(b) If the reply to part (a) above be in the affirmative, will the Honourable Member be pleased :

(i) to lay on the table a copy of those resolutions ;

(ii) to state what action, if any, has been taken in the matter ?

PAY OF COMPOSITORS OF THE EASTERN BENGAL RAILWAY PRESS.

†809. ***Rai Bahadur Lala Brij Kishore** : (a) Is it a fact that the Compositors of the Eastern Bengal Railway Press, Calcutta, are salaried hands ?

(b) Is it a fact that the pay of the Compositors was revised in 1930 ?

(c) Is it a fact that at the time of the revision neither seniority in service nor any other definite principles were followed in fixing the pay of the said Compositors ?

(d) Is it a fact that the staff list of the Printing Department, East Indian and Eastern Bengal Railways (1933) shows that :

(i) Compositors appointed in 1926 are drawing the same pay with their co-workers appointed in 1927 ; and

(ii) different salaries are being allowed to Compositors appointed on the same date and year ?

(e) If the answers to parts (a) to (d) be in the affirmative :

(i) will Government be pleased to state the reasons for these discrepancies ;

(ii) will Government be pleased to state if any action has been taken or is intended to be taken to remove the said discrepancies at an early date ; and

(iii) if not, why not ?

RETRENCHMENT AMONG THE INDUSTRIAL STAFF OF THE EASTERN BENGAL RAILWAY PRESS.

†810. ***Rai Bahadur Lala Brij Kishore** : (a) Are Government aware :

(i) that heavy retrenchment has recently been made among the industrial staff of the Eastern Bengal Railway Press ; and

†For answer to this question, see answer to question No. 798.

(ii) that several permanent hands have been retrenched as "surplus" ?

(b) Will Government be pleased to state the principles, if any, followed in relegating a hand to the "surplus" list ?

(c) Is it a fact that amongst the Compositors appointed on the same date and in the same year some have been put down as "surplus", while several others have not been so regarded ?

(d) Are Government aware that an attempt is being made by the authorities of the Eastern Bengal Railway for providing for the "surplus" ministerial hands by reshuffling and distributing them over the sections, while no such attempt for providing for the "surplus" industrial hands is even being thought of ?

(e) If the answers to parts (a) to (d) be in the affirmative, will Government be pleased to state :

(i) the reasons that led to the state of affairs as revealed in part (c), and

(ii) what action they intend to take for providing for the "surplus" industrial hands ?

DEMOTION AND REDUCTION IN SALARIES OF THE INDUSTRIAL STAFF IN THE EASTERN BENGAL RAILWAY PRESS.

†811. *Rai Bahadur Lala Brij Kishore : (a) Are Government aware that demotion and reduction in salaries of the industrial hands have recently been effected in the Eastern Bengal Railway Press ?

(b) Will Government be pleased to state the principles followed in carrying out these demotions and reductions in salaries ?

(c) Is it a fact that these demotions and reductions have been made in case of the industrial hands only, the supervising and clerical staff being left entirely untouched ?

(d) If the replies to parts (a) to (c) be in the affirmative, will Government be pleased to state :

(i) the reasons for the action mentioned in part (c), and

(ii) what action they intend to take to remedy the grievances of the industrial hands in this respect ?

POSITION OF COMPOSITORS AND BINDERS AFTER THE AMALGAMATION OF THE EAST INDIAN AND EASTERN BENGAL RAILWAY PRESSES.

†812. *Rai Bahadur Lala Brij Kishore : (a) Is it a fact that an amalgamation of the East Indian and Eastern Bengal Railway Presses has recently been effected ?

(b) Is it a fact that the industrial hands of the Eastern Bengal Railway Press will be paid from the Eastern Bengal Railway fund, the said amalgamation notwithstanding ?

(c) Is it a fact that the Compositors and the Binders of the Eastern Bengal Railway Press at present transferred to East Indian Railway are all in superior service equally with other industrial staff, viz., Supervisors and Readers ?

(d) If the answers to parts (a) to (c) be in the affirmative, will Government be pleased to state the rules and regulations under which the said Compositors and Binders of the Eastern Bengal Railway Press, now transferred to East Indian Railway Press, will in future be guided in their service ?

ACTION TAKEN ON THE MEMORIALS OF THE EMPLOYEES OF THE EAST INDIAN AND EASTERN BENGAL RAILWAY PRESSES.

†813. ***Rai Bahadur Lala Brij Kishore** : (a) Is it a fact that the employees of the East Indian Railway and the Eastern Bengal Railway Presses, Calcutta, submitted on 12th January, 1931, and 17th January, 1931, respectively, two memorials to the Honourable Sir George Rainy, Member-in-Charge, Railway and Commerce Departments ?

(b) Is it a fact that on the 21st March, 1931, Mr. A. A. L. Parsons stated that the said memorials of the workers of the two Presses above-named were under consideration ?

(c) Is it a fact that in answer to unstarred question No 108, dated the 28th September, 1931, with reference to the said memorial, Mr. A. A. L. Parsons stated that the Agent of the Eastern Bengal Railway had been asked to expedite the matter ?

(d) If the replies to parts (a) to (c) be in the affirmative, will Government be pleased to state, whether the views of the Agent, Eastern Bengal Railway, on the said memorials had been forwarded ?

(e) If so, what action has been taken in the matter of those memorials ?

(f) If no action has yet been taken, when do Government intend doing so ?

ENFORCEMENT OF THE PUNJAB PRIMARY EDUCATION ACT IN DELHI.

814. ***Mr. M. Maswood Ahmad** : (a) Is it a fact that the Punjab Primary Education Act, 1919, has recently been enforced in Delhi, and if so, will Government please state : (i) whether a " School Attendance Committee " has been formed, (ii) who are the members of the said committee, (iii) if this committee has received representations for exemption of boys receiving religious education in Islami Maktabas, (iv) what has been decided by the committee in such cases, (v) if no action has yet been taken, whether they propose to see that such boys who are receiving religious education in such Schools and Maktabas which are not recognised by Government, are also exempted under section 10 (c) of the said Act ?

(b) Is it a fact that the Delhi Municipality has issued a number of notices to the managers of Maktabas or parents of boys who are receiving religious education in Islamia Maktabas to the effect that they have committed an offence under section 14 of the compulsory Act, and, if so, will Government be pleased to lay on the table a statement showing (i) the number of boys affected, (ii) the number of notices issued, (iii) number of cases challaned, and (iv) the amount of fine realized ?

(c) Are Government aware that the issue of notices to those who are receiving religious education is considered by the general public as an

†For answer to this question, see answer to question No. 79*

interference in the performance of religious duty, and are Government prepared to consider the advisability of issuing necessary instructions in the matter ?

Mr. G. S. Bajpai : Enquiries have been made and the result will be communicated to the House in due course.

Mr. M. Maswood Ahmad : Has the Honourable Member seen section 14 of the Punjab Primary Education Act which runs as follows :

“ Any person other than the parent of such boy who shall, during the prescribed hours of attendance at school, utilise in connection with any employment, whether for remuneration or not, the services of any boy whose parent is required under section 9 to cause his attendance at school, shall, on conviction, be punishable with a fine not exceeding twenty-five rupees.”

Mr. G. S. Bajpai : I have a general familiarity with the Act from which my Honourable friend has read out, but he would agree that, until I am in possession of the facts, the question whether it is applicable cannot be determined.

Mr. M. Maswood Ahmad : Do Government realise that teaching a boy in a *musjid* and giving him religious instruction is not employment ?

Mr. G. S. Bajpai : That is a question asking for an expression of opinion. The question here relates to certain facts and, as I have said, when I do get the facts, I shall look into the matter.

Mr. M. Maswood Ahmad : I want to know the views of Government, whether they take it as employment or not.

Mr. G. S. Bajpai : I am not here to express an opinion, but only to deal with questions of fact.

Dr. Ziauddin Ahmad : When this report comes in, will Government consider the fact that a boy who is receiving religious instruction along with some secular instruction may be supposed to be attending a school ?

Mr. G. S. Bajpai : My Honourable friend's suggestion will certainly be considered when the facts are available to Government.

AMOUNT RECEIVED FROM THE ENHANCED PETROL TAX FOR ROAD PURPOSES.

815. ***Mr. B. V. Jadhav :** Will Government be pleased to state :

- (a) the total amount received each year from the enhanced petrol tax for road purposes since its levy ;
- (b) the amount collected each year from (i) the Bombay Presidency, and (ii) the City of Bombay ?

The Honourable Sir Frank Noyce :

				Rs.
(a)	March, 1929	..	..	3,95,082
	1929-30	..	..	98,42,801
	1930-31	..	..	98,03,207
	1931-32	..	..	102,00,768
	1932-33 (Provisional)	..	..	102,86,267
				<hr/>
				405,28,125
				<hr/>

(b) I presume the Honourable Member wishes to know the amounts allotted to the Bombay Presidency from the Road Development Fund on the basis of consumption. They are as follows :

	Rs.
	lakhs.
1929-30 (including March, 1929)	16.85
1930-31	15.70
1931-32	16.83
First half of 1932-33 (up to the 30th September, 1933) Provisional	8.25
	<hr/>
	57.63
	<hr/>

No separate figures for the City of Bombay are available.

Mr. B. V. Jadhav : May I point out, Sir, that my question was about the total amount collected each year in Bombay ?

The Honourable Sir Frank Noyce : I should like to explain to the Honourable Member that, if I gave him those figures, as I am quite prepared to do, they would convey nothing. The petrol duty of two annas—2½ annas now—from which the Road Development Fund is financed is made up of customs duty and excise, and it is only natural that by far the greater part of the excise duty should be collected in Burma. The actual collection of petrol duty in Bombay as customs duty is comparatively small and, it is for that reason, that I was under the impression that the Honourable Member wanted to know the amount allotted to Bombay. If he desires to know the amount actually collected in the Bombay Presidency, I shall be happy to furnish the figures.

GOLD AND SILVER HELD IN THE CURRENCY DEPARTMENT.

816. ***Mr. B. V. Jadhav :** Will Government be pleased to state :

- (a) (i) the maximum and (ii) minimum amounts of (A) gold and (B) silver held in the Currency Department during each of the years 1930, 1931, 1932, 1933 (upto 30th June) ;
- (b) the average rate at which each was (i) sold or (ii) bought during each of the above years ?

The Honourable Sir George Schuster : (a) I would invite the attention of the Honourable Member to the weekly Abstracts of the Accounts of the Currency Department and to the memoranda published by the Controller of the Currency regarding the balance of the Gold Standard Reserve.

(b) No gold was sold and no silver was bought during this period. Gold was acquired at the statutory rate of Rs. 21-3-10 per tola in accordance with section 4 of the Currency Act, 1927. As regards sales of silver the information could not be compiled without involving an amount of labour which Government do not consider justified, but I may state for the information of the Honourable Member that the amount of silver sold from the commencement of operations to the 31st March, 1933,

was 151 million fine ounces and the net price realised was approximately 18½ crores of rupees which represents an average price of about 22d. per fine ounce or slightly over 20½d. per standard ounce.

Dr. Ziauddin Ahmad : May I ask whether the Honourable gentleman has taken into consideration the amount of silver sold in the month of July ?

The Honourable Sir George Schuster : The figures that I have given are up to the 31st March, 1933 : therefore, the month of July, 1933, does not come in.

RELEASE OF MEMBERS OF THE WORKING COMMITTEE OF THE JAMIAT-UL-ULEMA-I-HIND.

817. ***Mr. M. Maswood Ahmad :** (a) Are Government aware of the resolution passed by the working committee of the Jamiat-ul-Ulema-i-Hind at their Moradabad meeting on the 19th, 20th and 21st August, 1933, suspending the programme of civil disobedience announced by the President of the Jamiat in exercise of his special powers ?

(b) Will Government be pleased to state how many members of the Working Committee and workers of the Jamiat are still in jail ?

(c) Will Government be pleased to state how many members of the Working Committee and workers of the Jamiat are under notices of expulsion ?

(d) Do Government propose to release the members of the Working Committee and the workers of the Jamiat and to withdraw the notices of expulsion ?

The Honourable Sir Harry Haig : I am making enquiries and will lay a statement on the table in due course.

SENIORITY OF EAST INDIAN RAILWAY AND OLD OUDH AND ROHILKUND RAILWAY STAFF.

818. ***Rai Bahadur Lala Brij Kishore :** (a) Will Government be pleased to state in how many senior posts on the Oudh and Rohilkund section of the East Indian Railway subordinates are working at present and *vice versa* ?

(b) Is it a fact that common seniority of East Indian and Oudh and Rohilkund is maintained for Traffic staff and not for Engineering ? If so, why ?

(c) Is it a fact that there are different rules governing the seniority of different departments of the Railway ? If so, why ?

(d) Is it a fact that the privilege of daily allowances which used to be enjoyed by the Overseers on the Oudh and Rohilkund section has now been withdrawn, although their duty hours are the same and the Chief Engineer and the Chief Auditor, Oudh and Rohilkund Railway, never disallowed this privilege ?

(e) How many posts have been fixed in the cadre of revised grades I and II for the Oudh and Rohilkund Railway Inspectors of Works and how have they been filled up ?

(f) Is it a fact that revised scales sanctioned by the Agent in 1928 were given to some staff from the date of introduction while in some cases years after ? If so, who is responsible for the delay and why has not all the staff been treated alike ?

(g) Is it a fact that in Lucknow Division menials are allowed seven days and subordinates between six and ten days allowance, although they might have earned more in the discharge of their duties, and that there is no such limit for officials ? If so, why ?

(h) Is it a fact that there is a periodical eye-sight examination after every three years for subordinates ? If so, why is there no such examination for officers ?

Mr. P. R. Rau : I have called for certain information and will lay a reply on the table of the House in due course.

CUT IN THE CONSOLIDATED ALLOWANCE OF TRAVELLING TICKET EXAMINERS
ON THE EAST INDIAN RAILWAY.

819. **Mr. E. H. M. Bower :** (a) Will Government be pleased to state whether it is a fact that in accordance with the orders of the Railway Board continued in letter No. 7196-F., dated 24th July, 1931, the consolidated allowance paid to the Travelling Ticket Examiners on the East Indian Railway has been subjected to a 12½ per cent. cut ?

(b) Is it a fact that the cut has been imposed from August, 1931 ?

(c) Is it a fact that five months later, i.e., from December, 1931, a ten per cent. cut on pay was introduced in addition ?

(d) Is it a fact that the cut on pay has been reduced to five per cent. whereas the 12½ per cent. on consolidated allowance still continues, although two years have passed ?

Mr. P. R. Rau : The reply to all these questions is in the affirmative.

CUT IN THE CONSOLIDATED ALLOWANCE OF TRAVELLING TICKET EXAMINERS
ON THE EAST INDIAN RAILWAY.

820. ***Mr. E. H. M. Bower :** (a) Will Government be pleased to state whether it is a fact that in their letter No. 7196-F., dated the 24th July, 1931, the Railway Board have classed consolidated allowance as compensatory allowance and subjected it to a 12½ per cent. cut ?

(b) Is it a fact that daily allowance has not been subjected to any cut ?

(c) Is it a fact that daily allowance was converted into consolidated allowance in June, 1931 ?

(d) Is it a fact that the 10 per cent. cut on mileage allowance which has been treated like pay has been subsequently reduced to five per cent., the cut to last only till the 31st March, 1934 ?

(e) Is it a fact that when the ten per cent. cut on pay was introduced, all other emergency cuts and methods of economy were cancelled ?

(f) If the reply to part (e) be in the affirmative why was this cut on consolidated allowance not cancelled and why has it been imposed

for a longer period than that on pay and at a much higher rate and why has consolidated allowance been treated differently from daily allowance and mileage allowance ?

Mr. P. R. Rau : The reply to parts (a), (b) and (d) is in the affirmative, and to parts (c) and (e) in the negative. In regard to (f), I may say that the question whether consolidated travelling allowance should be dealt with on the same principles as daily allowance is under consideration

CONSOLIDATED ALLOWANCES PAID ON THE EAST INDIAN RAILWAY.

821. ***Mr. E. H. M. Bower :** Will Government be pleased to state :

- (a) whether substantial allowance is paid to the staff for the running duty they perform ;
- (b) whether it is compensatory allowance, and if so, whether its payment is governed by Supplementary Rule 6 ; if not, why not ; and also why is it treated differently from the daily allowance ; and whether both are defined as travelling allowance under Supplementary Rule 21 ;
- (c) what are the various rates of consolidated allowances paid on the East Indian Railway and to what classes of employees, and what is the total number of each class ;
- (d) whether it is a fact that the President, National Union of Railwaymen of India and Burma, Bombay, personally represented this case to the Chief Commissioner of Railways during the last half-yearly meeting of the Railway Board with the Federation ; if so, what was the reply given ?

Mr. P. R. Rau : (a) The term ' substantial allowance ' is new to me, but perhaps my Honourable friend is referring to the mileage allowance paid to running staff.

(b) The mileage allowance is treated as part of pay to a large extent. It is taken into account in calculating provident fund bonus, gratuity and leave allowances subject to a maximum of 75 per cent. of pay. I am not quite clear what exactly is the Honourable Member's difficulty with regard to the interpretation of the Supplementary Rules quoted by him. I shall be glad to give him a fuller reply if he will elucidate his difficulty further, but he, no doubt, realises that such questions are not easy to discuss in the form of question and answer in this House. Perhaps it will be more convenient if he will speak to me privately about it.

(c) The information is not readily available, and I am afraid its collection will be a laborious task which is hardly likely to yield any adequate return.

(d) I am unable to trace anything on record about this interview ; Sir Guthrie Russell, with whom the interview is represented as having taken place, is away from India at present and I am not in a position to make any statement on the point.

Mr. M. Maswood Ahmad : Will Government be pleased to state whether travelling ticket examiners get travelling allowance and mileage allowance ?

Mr. P. R. Rau : Travelling Ticket Examiners get travelling allowances.

Mr. M. Maswood Ahmad : And mileage allowance ?

Mr. P. R. Rau : No.

Mr. M. Maswood Ahmad : Has the attention of the Government been drawn to the Gazette of India, dated the 31st January 1931—Running staff, *viz.*, drivers, shunters, firemen, guards, brakemen, travelling van porters, travelling van checkers, travelling ticket examiners, travelling stores delivery staff, etc.,—and that travelling ticket examiners are also taken as running staff ? Have Government changed that rule or not ?

Mr. P. R. Rau : That, Sir, is intended for the purpose of the Hours of Employment Regulations.

Mr. M. Maswood Ahmad : Have Government changed that or is it that they still treat travelling ticket examiners as running staff ?

Mr. P. R. Rau : Travelling ticket examiners are included in running staff for the purpose of the Hours of Employment Regulations.

Mr. M. Maswood Ahmad : Do Government propose that they will amend this rule and will mention for what purpose they will be treated as running staff ?

Mr. P. R. Rau : If my Honourable friend will read those rules, he will see that they are meant for the purpose of interpreting the Hours of Employment Regulations.

Dr. Ziauddin Ahmad : Is it not a fact that this mileage allowance has been changed into a consolidated allowance ?

Mr. P. R. Rau : My Honourable friend is quite right.

TRAVELLING WITHOUT TICKETS ON RAILWAY TRAINS.

822. ***Mr. E. H. M. Bower :** Will Government be pleased to state with reference to paragraph 47, item 6, on page 80 of the Report of the Public Accounts Committee. Volume I, for 1929-30 :

- (a) whether illicit travelling entails leakage of revenue ,
- (b) whether it is the duty of the Traffic Department to recover money by the sale of tickets ;
- (c) whether the Traffic Department is responsible that no passengers board a train without a ticket ; and
- (d) whether Government propose to stop the leakage of revenue ?

Mr. P. R. Rau : The answer to all these questions is in the affirmative. Railway Administrations are fully alive to the necessity of taking steps to check travelling without tickets.

TICKET FRAUDS ON RAILWAYS.

823. ***Mr. E. H. M. Bower :** (a) Has the attention of Government been drawn to a note published in the *Railway Times*, the official organ of the National Union of Railwaymen of India and Burma, Bombay, dated the 14th January, 1933, under the heading " Ticket Frauds on Railways " ?

(b) Will Government be pleased to state if the facts contained therein are correct ?

(c) Is it a fact that several gunny bags of used tickets were discovered in the hollow pillars of Howrah station ?

(d) What action do Government propose to take on the suggestions contained in the note referred to in part (a) and on a similar suggestion contained in the Railway Retrenchment Sub-Committee's Report under a special note by Dr. Ziauddin Ahmad ?

Mr. P. R. Rau : (a) Yes.

(b) and (c). I am making enquiries and shall lay a reply on the table in due course.

(d) I presume the Honourable Member refers to the recommendation of reverting to the old system of check by Travelling Ticket Inspectors working under the Chief Accounts Officer. The question was, as the Honourable Member is aware, discussed at length by the Public Accounts Committee when they considered the Appropriation Accounts of Railways for 1929-30, and the opinion of the Railway Board was explained to them by Sir Alan Parsons, *viz.*, that it was desirable to enforce the responsibility of collecting railway dues on the Traffic Department. The Auditor General concurred in this opinion and added that the function of the Accounts Department was, through the accounts, to check whether the Traffic Department was doing its work properly.

DISCHARGE OF CERTAIN PEONS ATTACHED TO TRAVELLING TICKET INSPECTOR SECTION ON THE EAST INDIAN RAILWAY.

824. ***Mr. E. H. M. Bower :** (a) Will Government be pleased to state how many peons attached to the Travelling Ticket Inspector section under the Accounts Department on the East Indian Railway were discharged from service from the 1st June, 1931 ?

(b) What was the length of service of each and the last pay drawn ?

(c) Have any efforts been made to provide them with similar posts elsewhere ? Is it a fact that those posts are being filled by fresh recruits from outside ? If so, why ?

(d) Do Government propose to consider the lot of these persons and mitigate their hardships by providing for them in some manner ?

Mr. P. R. Rau : (a) to (c). Government have no information.

(d) I have asked the Controller of Railway Accounts to make enquiries and see whether anything can be done to remove the grievances complained of.

REFUND OF FEES TO CERTAIN CANDIDATES NOT PERMITTED TO APPEAR AT THE MINISTERIAL SERVICE EXAMINATION OF THE PUBLIC SERVICE COMMISSION.

825. ***Pandit Satyendra Nath Sen :** (a) Will Government be pleased to state whether it is a fact :

- (i) that permanent Government servants between the ages of 25 and 30 are allowed to sit for the Indian Audit and Accounts Service Examination ;

(ii) that the same concession was extended to retrenched Government employees, who were candidates for the Ministerial Service Examination held in July, 1933 ;

(iii) that permanent Government employees between the ages of 25 and 30, who deposited fees under a reasonable belief that they were eligible to sit for the Ministerial Service Examination, were neither permitted to appear at the examination, nor were their fees refunded to them ?

(b) Has it been represented to Government that the notice, dated the 25th March, 1933, issued by the Secretary, Public Service Commission, is not explicit on the point ?

(c) Do Government propose to enquire into the matter and refund the fees to the affected parties ? If not, why not ?

The Honourable Sir Harry Haig : (a) (i) and (ii). Yes.

(a) (iii) and (c). The Notice and the Application Form for the examination in question prescribed the conditions of eligibility clearly and also stated plainly and specifically that the fee would not be refunded under any circumstances. The application form also warned candidates to read the Notice carefully to see whether they were eligible before paying the fee and that the conditions prescribed for the examination would not be relaxed in any case. If, in spite of this, some candidates, who were not eligible, applied and paid the fee, I do not think they have any cause for legitimate grievance. Government do not therefore see any reason to enquire into the matter as suggested by the Honourable Member.

(b) No.

Pandit Satyendra Nath Sen : May I know what it would amount to if these fees are refunded ?

The Honourable Sir Harry Haig : I am afraid I cannot tell. The object of the rule presumably was to avoid the time of Government officers being wasted in looking into applications for refunds.

APPLICATION OF THE NEW STATE RAILWAY LEAVE RULES TO THE ACCOUNTS STAFF.

826. ***Pandit Satyendra Nath Sen :** (a) With reference to their reply to starred question No. 946, put in the Legislative Assembly on the 8th November, 1932, regarding the application of the new State Railway Leave Rules to the Accounts staff, will Government be pleased to state the action taken by them in the matter so far ?

(b) Is it a fact that the new State Railway Leave Rules have been made applicable to permanent staff with effect from the 1st April, 1930 ?

(c) Is it a fact that there are staff in the Railway Accounts Department, who were confirmed from a date prior to the 1st April, 1930, and were not required to execute a declaration that they would come under the new State Railway Leave Rules on their introduction ?

(d) If so, do Government propose to give such staff the option to remain under the old set of Leave Rules ? If not, why not ?

Mr. P. R. Rau : (a) The temporary staff appointed in the old combined Audit and Accounts Offices before the 1st April, 1929, and taken

over by the Railway Accounts Department have been allowed the option of remaining under the old leave rules, if they were not informed of the fact that the new State Railway Leave Rules would be applicable to them. The permanent staff taken over from the old combined Audit and Accounts Department have the option to remain under the Fundamental Rules.

(b) The new leave rules have been introduced with effect from the 1st April, 1930, and are applicable to those appointed on or after that date and also to those appointed prior to that date under the arrangement that when the new rules are introduced they would be brought under them

(c) and (d). The question is still under consideration.

APPOINTMENT OF QUALIFIED CLERKS AS SUB-HEADS ON THE EAST INDIAN RAILWAY.

827. ***Pandit Satyendra Nath Sen :** (a) Will Government be pleased to lay on the table a copy of the information referred to in reply to starred question No. 846, dated the 21st March, 1933, regarding appointment of qualified clerks as sub-heads on the East Indian Railway ?

(b) Are Government aware that if reverted sub-heads monopolise all the vacancies in the sub-head's grade, the qualified clerks, who have passed the highest departmental examination, will have to wait for promotion for at least a decade ?

(c) Is it a fact that the Controller of Railway Accounts' letter No. 77-E.31/C.R.A.III, dated the 20th July, 1932, has practically been reduced to a dead letter ?

(d) If so, do Government propose to reconsider the case of the above class of qualified clerks ?

Mr. P. R. Rau : I would refer the Honourable Member to the statement laid by me on the table of the House on the 28th August, 1933, in reply to parts (a) to (c) of question No. 846, dated 21st March, 1933.

APPOINTMENT OF LILLOOAH APPRENTICES.

828. ***Pandit Satyendra Nath Sen :** With reference to the answer to Mr. S. C. Mitra's unstarred question No. 22 (a), (b) and (c) of the 5th September, 1932, regarding Lillooah apprentices, will Government please state in what way they considered the said Anglo-Indian to be the best all round for the appointment in preference to other *ex*-apprentices of his batch all of whom were placed in higher Divisions in the Technical School examination and who are still waiting ? Is it a fact that he had no qualifications of Train Examiner [as referred to by Government in reply to Mr. Bhuput Singh's starred question No. 631 (a) of the 4th March, 1932] and he failed in the Technical School examination ? Do Government intend to take steps to replace him (the said unsuccessful Anglo-Indian) by an Indian *ex*-apprentice of his batch ? If not, why not ?

Mr. P. R. Rau : With your permission, Sir, I propose to reply to questions Nos. 828 to 836 together. I have called for certain information and will lay a reply on the table in due course.

APPOINTMENT OF LILLOOAH APPRENTICES.

†829. ***Pandit Satyendra Nath Sen :** (a) With reference to the answer given in reply to Mr. S. C. Mitra's unstarred question No. 22 (c) of the

†For answer to this question, see answer to question No. 828.

5th September, 1932, are Government aware that it is not a fact that those two apprentices were sent back to Lillooah shops for unsatisfactory work and irregular attendance ?

(b) Is it a fact that one of them was retained there (under Divisional Superintendent, Howrah) for the discharge of his duties even for a week after the strike was over ? And is it also a fact that he drew the maximum overtime allowance (working under Divisional Superintendent, Howrah) during the strike of all other apprentices of Lillooah workshop who were appointed since 1925 ?

(c) If the answer to parts (a) and (b) above, be in the affirmative, will Government please state whether, before appointing the said unsuccessful Anglo-Indian, they made any endeavour to select any one of those two Indians who had prior claims and both of whom passed in the First Division and were the seniormost of his batch for the post ? If not, why not ?

(d) If the answer to parts (a) and (b) above be in the negative, are Government prepared to make an enquiry into the matter and take necessary steps ? If not, why not ?

(e) Will Government please state why racial discrimination was made in spite of the assurance given in reply to Mr. S. C. Mitra's starred question No. 291 (a) of the 10th September, 1929, in appointing the unsuccessful Anglo-Indian as Train Examiner, although better qualified Indians were available ?

(f) Do Government propose to appoint those two Indian *ex*-apprentices as Train Examiners under Divisional Superintendents at the earliest opportunity and when vacancies arise and to issue orders to all Divisional Superintendents to this effect ? If not, why not ?

APPOINTMENT OF APPRENTICE TRAIN EXAMINERS FOR THE OPERATING DEPARTMENT.

†830. *Pandit Satyendra Nath Sen : (a) Will Government please lay on the table a copy of their decision in the matter of appointing further apprentice Train Examiners for the Operating Department, as referred to in the reply to a question by Mr. S. C. Mitra ?

(b) If Government have not yet reached any decision, how much longer will they take and what are the reasons for delay ?

APPOINTMENT OF LILLOOAH APPRENTICES.

†831. *Pandit Satyendra Nath Sen : (a) Will Government please state the number of *ex*-apprentices of Lillooah workshop appointed in suitable posts under Divisional Superintendents, as referred to in answer to Mr. S. C. Mitra's unstarred question No. 22 (f) of the 5th September, 1932, with the following particulars :

- (i) names of those who have been appointed,
- (ii) names of the Divisions posted,
- (iii) Division placed in final examination in Technical school,
- (iv) designations,

†For answer to this question, see answer to question No. 828.

(v) number of Indians, Anglo-Indians and Europeans,

(vi) starting salaries ?

If not, why not ?

(b) Is it a fact that some *ex*-apprentices of Lillooah workshop have been appointed as Train Examiners under Divisional Superintendent, Howrah, only, and none have been appointed so far in other Divisions ? Are Government aware of the assurance given in reply to Mr. S. C. Mitra's unstarred questions Nos. 22 (f) and 23 (b) and (c) of the 5th September, 1932, and Mr Bhuput Sing's starred question No. 631 (c) of the 4th March, 1932 ?

(c) If the answer to part (b) above be in the affirmative, will Government please state the reasons for not appointing any *ex*-apprentices in other Divisions ? Is it a fact that vacancies exist in other Divisions ?

(d) Do Government propose to appoint the *ex*-apprentices of Lillooah workshop (East Indian Railway), in other Divisions too and issue orders to all Divisional Superintendents accordingly without further delay ? If not, why not ?

APPOINTMENT OF LILLOOAH APPRENTICES AS TRAIN EXAMINERS.

†832. *Pandit Satyendra Nath Sen : (a) Is it a fact that recently some *ex*-apprentices of the East Indian Railway workshop, Lillooah, have been appointed as Train Examiners under the Divisional Superintendent, Howrah (East Indian Railway) ?

(b) Is it a fact that the majority of them are junior to many *ex*-apprentices who passed in the First Division and who are still unemployed ?

(c) If the answers to parts (a) and (b) above be in the affirmative, will Government please state the reasons for not selecting those seniors who passed in the First Division and the grounds for selecting juniors, two of whom passed in the First Division and one in the Second Division, for the posts ? Is it a fact that they had appointed one Anglo-Indian *ex*-apprentice of Lillooah workshop of 1930 under the same Divisional Superintendent who was decidedly less qualified than all the Indians of his batch and who had no qualifications of Train Examiner ? Do Government propose to take steps to replace them by those seniors who passed in the First Division and who are on the waiting list ? If not, why not ?

(d) If the answer to part (b) above be in the negative, do Government propose to make an inquiry into the matter and take necessary steps ? If not, why not ?

(e) Will Government please lay on the table a statement showing the names of the *ex*-apprentices of Lillooah workshop (East Indian Railway), who have been recently appointed as Train Examiners under the Divisional Superintendent, Howrah, with the dates of their completion of apprenticeship training and the Divisions in which they passed from the Technical School and also of their seniors who are still waiting ?

(f) Will Government please state the percentage of Indian, European and Anglo-Indian *ex*-apprentices of Lillooah workshop (East Indian Railway) appointed as Train Examiners under the Divisional Superintendent, Howrah, East Indian Railway, since 1931 and whether the

†For answer to this question, see answer to question No. 823.

policy of progressive Indianisation has been strictly adhered to in making these appointments ?

(g) Will Government please state whether they propose to appoint the senior *ex*-apprentices of Lillooah workshop (East Indian Railway) of 1929 and 1930 whose cases have been ignored, as Train Examiners, when next vacancies arise, according to the dates of completion of their training and the Divisions they passed from Technical School, and issue orders to all Divisional Superintendents to this effect without further delay ? If not, why not ?

APPOINTMENT OF LILLOOAH APPRENTICES AS TRAIN EXAMINERS.

†833. *Pandit Satyendra Nath Sen : (a) Is it a fact that selection of *ex*-apprentices of East Indian Railway workshop, Lillooah, for the posts of Train Examiners under Divisional Superintendent, Howrah, on 14th August, 1933, was made after granting interviews to all *ex*-apprentices who completed their training up to the year 1932 ?

(b) Is it a fact that one European or Anglo-Indian who completed his training this year was appointed as Train Examiner under the Divisional Superintendent, Howrah, without even being called for an interview and ignoring the claims of many senior Indians ?

(c) If the answer to part (b) above be in the affirmative, will Government please state why racial discrimination was made in appointing a junior European or Anglo-Indian *ex*-apprentice of 1933 without granting him an interview along with others ?

(d) If the answer to part (b) above be in the negative, are Government prepared to make an enquiry into the matter and take necessary steps ? If not, why not ?

(e) Do Government propose to appoint the *ex*-apprentices of Lillooah in all future cases as Train Examiners from the waiting list strictly according to seniority, giving preference to those who passed in the First Division without making any racial discrimination and issue orders to all officers concerned accordingly ? If not, why not ?

APPOINTMENT OF LILLOOAH APPRENTICES AS ELECTRICIANS AND TRAIN EXAMINERS.

†834. *Pandit Satyendra Nath Sen : (a) Will Government please state the number of *ex*-apprentices who are likely to be provided with posts under Divisional Superintendents this year, as referred to in answer to Mr. Bhuput Sing's starred question No. 631 (c) of 4th March, 1932 ?

(b) Will Government please state the number of vacancies which occurred in the grade of Electricians and Train Examiners under Divisional Superintendents, East Indian Railway, since 1932 with the following particulars :

(i) number of vacancies in each Division with the name of the Division, and

(ii) designations of the vacant posts ?

†For answer to this question, see answer to question No. 828.

insure—as many do—with private companies. In the circumstances Government do not propose to take any steps in this matter.

RAISING OF A STERLING LOAN IN LONDON BY THE SECRETARY OF STATE FOR INDIA.

838. **Mr. K. P. Thampan** : Will Government be pleased to state :

- (a) whether it is a fact that within ten days of the Government floating the 3½ per cent. 1947-50 loan at Rs. 96 under Notification No. F.3(2) F. 33, dated 25th April 1933, the Secretary of State raised a sterling loan of 4 per cent. at 97 in London ;
- (b) whether the Secretary of State had about 18 million sterling at his disposal for his requirements on that date and what was the immediate necessity for raising any loan ;
- (c) whether the loan was raised at the instance of the Government of India or that of the Secretary of State, and in the latter case, if the Government were consulted in the matter and they agreed to it ;
- (d) whether Government knew at the time the notification for the 3½ per cent. loan was issued that within a short time the Secretary of State would be raising a sterling loan in London on a higher rate of interest ;
- (e) whether Government will lay on the table the whole correspondence that passed between Simla and Whitehall on the subject ?

The Honourable Sir George Schuster : (a) The facts are not quite correctly stated. The 3½ per cent. 1947-50 loan at 96 was announced on the 25th of April and the sterling 4 per cent. loan 1948-53 was issued at 97½ on the 10th of May.

(b) No. The balance at the Home Treasury at the end of April was approximately seven million pounds. The purpose of raising a sterling loan was, first to pay off the seven million pounds sterling six per cent. loan falling due on the 15th June, and secondly to strengthen the sterling position of Government with a view to accumulating adequate external reserves for the establishment of a Reserve Bank.

(c) The loan was issued after full consultation between the Government of India and the Secretary of State.

(d) The possibility of issuing a sterling loan if at any moment conditions appeared favourable had been under discussion since the beginning of the year. But no decision had been taken nor had any terms been fixed. These decisions have to be taken in London at very short notice and the terms are fixed at the last moment.

(e) No.

Mr. K. P. Thampan : Is it not a fact, Sir, that the ruling rate of interest in England is generally less than that in India ?

The Honourable Sir George Schuster : Will the Honourable Member kindly repeat his question ? I could not hear him.

Mr. K. P. Thampan : Is it not a fact that generally the ruling rate of interest in England is less than that in India ?

The Honourable Sir George Schuster : I presume my Honourable friend is referring to the discount rate of Three Months' Bills or short term interest, is that the point ?

Mr. K. P. Thampan : No, I mean ordinary bank rate of interest.

The Honourable Sir George Schuster : It is a fact that the Bank of England discount rate is lower at present than the bank rate of the Imperial Bank of India.

Mr. K. P. Thampan : How does the Honourable the Finance Member account for the phenomenon that the loan raised in India was at a lower rate of interest than the one raised in England ?

The Honourable Sir George Schuster : Because the rate of interest payable on a Government of India loan depends on the conditions affecting Government of India securities in the London market ; it depends on the general level of credit of India in the London market.

Mr. K. P. Thampan : Is the credit of India less in England ?

The Honourable Sir George Schuster : I am afraid I do not follow my friend's question. He seems to be suggesting that because the bank rate in London was lower than the bank rate in India, therefore, the Government of India sterling loan in London ought to have been issued on more favourable terms than the Government of India rupee loan in India. If that is my friend's suggestion, my reply to him is that the price at which a Government of India sterling loan in London is issued depends upon the credit of the Government of India in London, and it is on those conditions that the terms were fixed.

Mr. M. Maswood Ahmad : Is it not a fact, Sir, that the Government of India's credit is now-a-days very high ?

The Honourable Sir George Schuster : Yes, Sir ; it is very high, and that particular loan was issued at a comparatively favourable rate.

Mr. M. Maswood Ahmad : Is it very high in England as well ?

The Honourable Sir George Schuster : It is open to my friend to see the quotations for Government of India sterling securities in the daily Press, and he can judge for himself.

Mr. B. V. Jadhav : Whenever the Government of India borrow in England a higher rate is paid than the rate in India, why is it so ?

The Honourable Sir George Schuster : It is a fact that our sterling loans in London practically always stand at a slightly lower price than the corresponding rupee loans in India, and that is a very common phenomenon for all countries. If my friend will study the position of Japan, for example, he will find still more striking differences between the quotations of their internal loans in Japan and the quotations of their external loans in London or New York.

Mr. K. P. Thampan : Is it a fact that the loan raised in England by the British Government was at a lower rate of interest than that raised by the Secretary of State for India ?

The Honourable Sir George Schuster : I do not know to what particular loan my friend is referring to, but obviously British Government

securities in London stand at a higher level than the Government of India securities ; they stand at a level which produces a yield of about one half per cent. lower rate of interest than our securities.

Mr. K. P. Thampan : Is there any foundation for the rumour that the Bank of England had a lot of money at that time and that they wanted to thrust it on this country, and that was the reason why this loan was raised ?

The Honourable Sir George Schuster : No, Sir, we did not raise the loan from the Bank of England. We raised it from the British public.

Mr. K. P. Thampan : Was not the Bank of England a large subscriber to this loan ?

The Honourable Sir George Schuster : The Bank of England never subscribes to these loans. The Bank of England arranges the issue to the public ; it is the public who subscribe to the loans.

Dr. Ziauddin Ahmad : In view of the fact that there is a very large amount available in various banks in England for investment, did the Government of India and the Secretary of State make inquiries through their experts whether the money could be raised at a lower rate of interest in London ?

The Honourable Sir George Schuster : I suppose my friend is suggesting that we should have endeavoured to negotiate privately in London. I can only tell my friend that it will be quite an impossible method for the Government of India to adopt. They cannot go round London and endeavour to raise sums privately.

Dr. Ziauddin Ahmad : What I mean is, did the Government of India and the Secretary of State make sufficient efforts to find out whether they could raise a loan at a lower rate of interest, and did they find that it was not possible ?

The Honourable Sir George Schuster : I can assure my Honourable friend that we used every possible effort to get that loan issued at more favourable rates than we were actually able to do.

Sir Cowasji Jehangir : May I ask the Finance Member whether there were any advantages at that particular time for raising a loan in England rather than in India ?

The Honourable Sir George Schuster : Sir, the object of raising this particular loan was to increase our sterling resources, and that we would not have been able to do by raising a loan in India.

. REPORT OF THE POPE/ENQUIRY COMMITTEE.

839. ***Mr. K. P. Thampan :** Will Government be pleased to state :

- (a) whether the Pope Committee which was appointed on the recommendation of the Railway Retrenchment Sub-Committee has submitted its report, and if so, whether it will be made available to the members of this House ;
- (b) the remuneration offered to Mr. Pope and other members of the committee ;
- (c) the total expense incurred, including the cost of printing the report, on behalf of this committee ?

Mr. P. R. Rau : (a) Copies are available in the Library of the House.

(b) Mr. Pope was paid a salary of £2,000 per annum together with an allowance of Rs. 1,000 per mensem while in India and travelling expenses at Rs. 10 per day. Mr. Pope's associates drew the pay they were in receipt of in their regular posts *plus* Rs. 10 per day travelling allowance.

(c) Including the cost of printing the report, the cost of the enquiry roughly amounted to Rs. 36,000.

IMPORT OF MOTOR CARS DESIGNED TO RUN WITHOUT PETROL FROM JAPAN.

840. ***Rai Bahadur Sukhraj Roy :** (a) Will Government be pleased to state whether they are aware that new motor cars designed to run without petrol have been imported from Japan and are lying on ships in Diamond Harbour at Calcutta ?

(b) Is there any dispute about payment of custom duties on the same ?

(c) Is there no provision at present in law for imposition of duties on these cars ? If so, why not ?

(d) Do Government apprehend a fall in income from petrol duties by the import of these cars ? If so, how ?

(e) Are Government aware at what price it is intended to sell such cars in India and what are the main features of such cars ?

The Honourable Sir George Schuster : (a) No such cars have been imported from Japan into Calcutta, and no such cars are lying on ships at Diamond Harbour or Calcutta. Diamond Harbour is not a port, and goods cannot be legally imported there.

(b) No.

(c) Such cars would be dutiable at the same rate as other cars.

(d) Does not arise.

(e) No.

PROSECUTION OF CERTAIN OFFICIALS OF THE CENTRAL TELEGRAPH OFFICE, CALCUTTA, FOR DIVULGING THE CONTENTS OF TELEGRAMS REGARDING RACES.

841. ***Mr. B. N. Misra :** (a) Has the attention of Government been drawn to the remarks at page 155 of the *Telegraph Review* for April, 1933, under the caption of "Gambling" ?

(b) Is it a fact that some years back certain officials of the Central Telegraph Office, Calcutta, were prosecuted for divulging the contents of telegrams regarding horse races ?

(c) If the answer to parts (a) and (b) be in the affirmative, what steps have Government taken, or propose to take as a preventive measure ?

(d) Will Government please lay on the table a statement showing the number of Telegraph employees (by designation) employed on this work in different offices in each Circle and how many of them are Indians and Anglo-Indians ?

The Honourable Sir Frank Noyce : (a) Government have seen the article.

(b) Government are aware of only one case of the kind to which the Honourable Member refers.

(c) The article refers to a matter of discipline in the Calcutta Telegraph Office and shows that the Chief Superintendent who is fully competent to deal with the matter has already taken such steps as he considers appropriate ; Government do not, therefore, propose to interfere.

(d) I regret I am unable to answer the Honourable Member's question as it is not clear what particular work the Honourable Member means by the expression " this work ".

PERMISSION TO THE TELEGRAPH EMPLOYEES TO WORK IN THE RACE COURSE.

842. Mr. B. N. Misra : (a) Is it a fact that the Government Servants' Conduct Rules preclude the departmental employees from receiving remuneration from other firms or agents ?

(b) Is it a fact that permission is granted to the employees in the Telegraph Department to work in the race course due to economic depression ?

(c) Is it a fact that arrangements are made by the Department to give them off or reshuffle their duties in such a way as to enable them to work in the race course on every Saturday ?

(d) Will Government please state if any complaint has ever been received from any head of office for sparing these men at the appointed time on the fixed dates regularly ? If so, from which offices and on how many occasions ?

(e) Will Government please state if there was any occasion in any office to refuse this permission ? If so, when and where ?

(f) Is it a fact that many of these workers are granted permission to perform night duties permanently ? If so, why ?

(g) Will Government please lay on the table a statement showing the names of other departmental offices in which such permission is granted and the number of men thus employed and how many of them are Indians and Anglo-Indians ?

The Honourable Sir Frank Noyce : (a) Yes, except with the previous sanction of the proper authority.

(b) Such permission is of long standing and was granted before the economic depression.

(c), (e) and (f). Government have no information. The arrangement of duties in a Telegraph office is carried out by the officer-in-charge.

(d) Government have not been able to trace any such complaint.

(g) I regret that I am unable to answer the Honourable Member's question as it is not clear what offices he means by the expression " other departmental offices ".

DUTY SYSTEM OF TELEGRAPHISTS AND SIGNAL ROOM CLERKS.

843. ***Mr. B. N. Misra** : With reference to answer given to unstarred question No. 100, dated the 13th March, 1933, by Mr. Rameswar Prasad Bagla :

(a) has the attention of Government been drawn to page 369 of the *Telegraph Review*, November, 1932, where a representation to the Director General appeared under the heading " Frequent night duties " ?

(b) are Government prepared to order a departmental enquiry into the duty system prevalent in signal offices ?

The Honourable Sir Frank Noyce : (a) Yes, the representation, which is reproduced on the page mentioned, was duly replied to by the Director General.

(b) No, Government do not consider that there is any necessity for such inquiry.

REPORT OF THE VARMA COMMITTEE.

844. ***Mr. B. N. Misra** : (a) Has the attention of Government been drawn to question No. 5 under section H—Supplementary Questionnaire of the Varma Committee ?

(b) Is it a fact that the investigation conducted has not been embodied in the Report ?

(c) Will Government please lay on the table the whole correspondence on the subject with the reasons for omission of their findings on this subject in the Report by the Committee ?

(d) With reference to paragraph 30 of the Varma Committee Report, will Government please lay on the table the whole correspondence and evidence on the duty chart and daily absence list which are essential for the computation of telegraph staff ?

The Honourable Sir Frank Noyce : (a) to (d). Government have not yet taken the report of the Varma Committee into consideration and I, therefore, regret that I am unable to reply to the Honourable Member's questions.

MEAL RELIEF IN POST OFFICES.

845. ***Mr. B. N. Misra** : (a) Will Government please state what are the differences in the conditions of service in the Indian and continental signal offices in respect of meal relief, which preclude the Government to accept the standard of 45 minutes' relief ?

(b) Will Government please state the result of the enquiry regarding meal relief in British Post Offices ?

The Honourable Sir Frank Noyce : (a) and (b). For the reasons explained in the reply to part (h) of Mr. Rameswar Prasad Bagla's unstarred question No. 100 in this House on the 13th March, 1933, Government do not propose to take any action in the matter of comparison between the Indian and British and Continental signal offices in respect of the period of meal relief.

INSOLVENT EMPLOYEES IN CERTAIN GOVERNMENT DEPARTMENTS.

846. ***Mr. B. N. Misra** : With reference to starred question No. 850, dated the 21st March, 1933, by Mr. Lalchand Navalrai, will Government be pleased to state how many insolvents are still in the active service in the Telegraph side of the Posts and Telegraphs Department in gazetted ranks in (i) Railway, (ii) Posts, and (iii) Telegraphs Departments separately ?

The Honourable Sir Frank Noyce : Government regret that the information is not readily available and could not be obtained without an expenditure of time and labour which would be unjustifiable.

INDEBTEDNESS OF GAZETTED OFFICERS IN THE TELEGRAPH DEPARTMENT.

847. ***Mr. B. N. Misra** : (a) Are Government aware that many gazetted officers in the Telegraph Department are hopelessly encumbered with debt taken from private individuals ?

(b) Will Government please lay on the table a statement showing the number of employees still in service in the Telegraph Department among the (i) subordinate and (ii) gazetted ranks whose pay has been attached by the Court ?

(c) Is it a fact that Government is considering the desirability of amending Rule 16 of the Government Servants' Conduct Rules with a view to make dismissal a compulsory condition for those Government servants who have been adjudged insolvents ?

(d) Will Government please state the number of employees during the last 10 years in the Telegraph Department whose services have been dispensed with for misappropriating the public money or for abetting or falsification of Government accounts ?

The Honourable Sir Frank Noyce : (a) Although Government are aware that certain of the gazetted officers in the Telegraph branch of the Posts and Telegraphs Department are financially embarrassed, they have no reason to suppose that the number is large.

(b) and (d). Government regret that the required information is not readily available and cannot be obtained without an undue expenditure of time and labour.

(c) No.

ALLEGED FALSIFICATION OF ACCOUNTS BY A CLERK OF THE OFFICE OF THE DIRECTOR, TELEGRAPH ENGINEERING, EASTERN CIRCLE.

848. ***Mr. B. N. Misra** : (a) Is it a fact that the services of a clerk who was attached to the office of the Director, Telegraph Engineering, Eastern Circle (now amalgamated with the Postmaster-General's Office, Calcutta), were dispensed with for alleged falsification of accounts and misappropriation on the judgment of the Presidency Magistrate during the time when Mr. Fox was Personal Assistant ?

(b) Is it a fact that the trying Magistrate passed severe strictures on the conduct of some responsible officers ?

(c) Will Government please lay on the table the full copy of the judgment ? If not, why not ?

(d) Is it a fact that the officers whose conduct was criticised are still in service ?

The Honourable Sir Frank Noyce : (a) The clerk was dismissed from service on the charges referred to not in connection with the cases in which he was acquitted by the Presidency Magistrate but in connection with other cases of falsification of accounts and misappropriation of Government money, brought to light as a result of departmental investigations after his acquittal by the Magistrate.

(b) So far as Government are aware the trying Magistrate made adverse comments on the conduct of one officer only.

(c) Government regret that they are unable to comply with the Honourable Member's request as the dismissal of the clerk referred to in part (a) of this question was not in connection with the cases forming the subject of the judgment and the officer referred to in my reply to part (b) above has since died.

(d) The Honourable Member is referred to the reply to parts (b) and (c) above.

UNAUTHORISED APPOINTMENTS IN THE POSTAL DEPARTMENT.

849. ***Mr. B. N. Misra :** (a) Has the attention of Government been drawn to Chapter XIV of the Report of the Telegraph Establishment Enquiry Committee and to pages 353, 390 of the *Telegraph Review* of November and December, 1932, on the subjects of certain unauthorised appointments ?

(b) Have Government undertaken any enquiry ? If so, with what results ? If not, why not ?

(c) Is it a fact that all these appointments are being carried on for years with the full knowledge of the Circle Heads ?

The Honourable Sir Frank Noyce : (a) As regards the first part of the question, Government have not yet considered the Report of the Committee. As regards the second part, Government have seen the article in question.

(b) Government have made no enquiries as the matter is one with which the Head of the Circle is competent to deal.

(c) Government have no information.

DECENTRALISATION OF THE ADMINISTRATION OF THE POSTS AND TELEGRAPHS DEPARTMENT.

850. ***Mr. B. N. Misra :** (a) Is it a fact that the administration of the Posts and Telegraph Department is being gradually decentralised like other Government Departments ?

(b) Have Government taken any disciplinary action against the responsible officers where they have flouted the orders of the Director General ? If so, will Government be pleased to state the number of such officers and the nature of punishment awarded ?

The Honourable Sir Frank Noyce : (a) Yes, so far as is practicable.

(b) Government are not aware of the orders of the Director General being flouted by responsible officers. Occasionally orders may be disregarded ; such cases when they come to notice are dealt with according to the circumstances. The Department has been so long in existence that it would be an impossible task to compile a statement of such cases.

RULES FOR RECOGNITION OF GOVERNMENT SERVANTS' ORGANISATIONS.

851. ***Mr. B. N. Misra :** (a) Has the attention of Government been drawn to the two editorials in the *Telegraph Review* for December, 1932 and June 1933 on the subject of Rules of Recognition of Government servants' organizations ?

(b) Is it not a fact that the editorial under caption " A bone of contention " in the June, 1933, issue is based on the recommendations of the Whitley Commission ?

(c) Is it a fact that under the existing rules of recognition, service organizations cannot represent the grievances of individual members ?

(d) Is it not a fact that on many occasions Government ask for individual concrete instances from the organizations whenever common grievances are represented ?

(e) In view of the recommendations of the Royal Commission on Labour in India, are Government prepared to consider the modification of the existing rules of recognition of Government servants' organisations ? If not, why not ? If so, when ?

'The Honourable Sir Frank Noyce : (a) Government have seen the article.

(b) The article refers to certain passages in the Report of the Commission.

(c) Yes, representations must be confined to matters which are, or raise questions which are, of common interest to the class represented by the Association.

(d) Such occasions may arise, but are not frequent.

(e) Government have under consideration the revision of the Recognition Rules in their application to industrial workers.

INSPECTION OF COMBINED POST AND TELEGRAPH OFFICES.

852. ***Mr. B. N. Misra :** (a) Is it a fact that the inspection of combined post and telegraph offices has been transferred from the duty of a

Superintendent of Telegraph Traffic to that of a Postal Inspector and Superintendent :

(b) Is it a fact that under the existing rules Postal clerks are eligible for the posts of telegraphists after training ?

(c) Is it a fact that the majority of 228 telegraphists surplus to requirements have been transferred to the post offices and the occasion for such transfers are too frequent ?

(d) Will Government please state whether suitable telegraphists and clerks in the Telegraph Department are eligible for promotions to the grades of Postmasters, Postal Inspectors and Superintendents provided they possess the required qualifications ? If not, why not ? Will Government please state whether they are prepared to consider the question now ?

The Honourable Sir Frank Noyce : (a) and (b). The replies are in affirmative.

(c) No, only 68 telegraphists have been so transferred

(d) The reply to the first part is in the negative. As regards the second part, the duties of telegraphists or clerks in telegraph offices are quite different from those of officials in the grades of Postmasters, Postal Inspectors or Superintendents of Post Offices and the experience gained by them in their own grades would be of no value in the grades named by the Honourable Member. The reply to the last part is in the negative.

NON-GRANT OF LEAVE TO THE INFERIOR SERVANTS OF THE TELEGRAPH DEPARTMENT.

853. ***Mr. B. N. Misra :** (a) Are Government aware that there are no provisions for leave reserves staff for the inferior servants of the Telegraph Department and consequently leave on average pay granted to superior establishment is denied to this class of employees ?

(b) If answer to part (a) be in the affirmative, are Government aware of the hardship caused to these servants of Government ?

(c) If answer to part (b) be in the affirmative, do Government propose to make necessary provision for their leave reserve and grant them average pay for privilege leave ? If not, why not ?

The Honourable Sir Frank Noyce : (a) Yes.

(b) and (c). The existing rules do not provide for the grant of leave on average pay to inferior Government servants generally and Government do not propose to make an exception in respect of the inferior staff of the Telegraph Department.

GRIEVANCES OF THE TELEGRAPH STAFF.

854. ***Mr. B. N. Misra :** (a) Are Government aware of the fact that in the May and July, 1933, issues of the *Telegraph Review* on pages

189-190 and 255-256, three articles appeared under the captions (i) "Who is to blame", (ii) "Legitimate Claims" and (iii) "Viceroy's Camp"?

(b) Will Government be pleased to state whether the facts on which the articles have appeared are substantially correct? If so, what action have Government since taken or propose to take to redress the grievances of the staff?

The Honourable Sir Frank Noyce : (a) Yes.

(b) As regards the first part of the question, the reply is in the affirmative.

Of the cases referred to, the claim for enhanced overtime allowance made by certain telephone operators, Dacca and Narayanganj, was not admitted, on the ground that it was a very belated one when it reached the Director-General. I have however given instructions that the claim should be re-examined.

The claim of certain task work messengers for overtime allowance for duty performed in 1930, in the Viceroy's camp office at Calcutta, was not referred to the Director General by the Postmaster-General, Bengal and Assam, who apparently disposed of it under his own powers.

REALISATION OF SUBSCRIPTION OF MEMBERS OF SERVICE ORGANISATIONS THROUGH THE SALARY BILLS OF THE STAFF.

855. ***Mr. B. N. Misra :** (a) Is it a fact that recoveries of co-operative credit societies, clubs, etc., attached to different Government offices are made through the salary bills of the staff?

(b) If the reply to the above question be in the affirmative, do Government propose to grant the same facilities to service organisations recognised by Government in respect of realisation of subscriptions of members through their salary bills? If not, why not?

The Honourable Sir George Schuster : (a) and (b). There are no cases where deductions for such purposes are made through salary bills in the same way, for instance, as a subscription to a Provident Fund. In certain cases however an arrangement was introduced as a concession whereby sums due from members of co-operative societies in the Posts and Telegraphs Department could be realised through the assistance of departmental officials. The practice is limited to certain cases and it is considered undesirable to extend it.

RETRENCHMENT IN THE UNITED PROVINCES POSTAL CIRCLE.

856. ***Mr. B. N. Misra :** (a) Is it not a fact that the promotions and discharge of officials under the retrenchment scheme in the United Provinces Circle of the Posts and Telegraphs Department are being done on the grounds of communalism?

(b) Will Government be pleased to state if they have received any appeals from the staff of the United Provinces Circle on the grounds mentioned in part (a) ?

(c) Are Government prepared to make sifting enquiries into this matter and take such steps as would stop these practices ?

The Honourable Sir Frank Noyce : (a) As has often been stated in this House, promotions are not made on communal grounds. In carrying out retrenchment, however, the communal ratios existing before the beginning of the retrenchment campaign have been maintained as nearly as circumstances allowed.

(b) No such appeals have been traced.

(c) In the absence of any reason to suppose that their orders are not being carried out in the United Provinces Circle, Government do not propose to initiate enquiries.

TEACHING STAFF OF THE ROYAL INDIAN MILITARY COLLEGE, DEHRA DUN.

857. ***Mr. B. N. Misra :** (a) Will Government be pleased to state (i) the number of the members of the senior staff of the Royal Indian Military College at Dehra Dun, (ii) their academic qualifications, (iii) the classes in which they obtained their degrees, if any, (iv) their ages and dates of appointment, (v) the salaries on which they started and their present salaries, (vi) their extra allowances and the duties for which they are given, and (vii) other privileges, like free bungalows with their rental values, etc. ?

(b) Are there any Indians on the senior staff of this college, or has any Indian been appointed on the senior teaching staff ? If not, why not ?

(c) If the answer to part (b) be in the negative, were there no Indians available with these or better qualifications ? Why have no Indians been appointed, keeping in view the Government declared policy of Indianising a certain proportion of the military services ?

(d) Is it a fact that this college has nothing to do with military training ? If so, have Government considered whether they can obtain more efficient Indians on lower salaries for it ?

Mr. G. R. F. Tottenham : (a) I lay a statement on the table giving the information desired by the Honourable Member so far as available.

(b) and (c). No Indian has been appointed permanently to the senior teaching staff because the object of the college is to give a Public School education on British lines and British masters are considered essential if this object is to be fulfilled.

(d) Apart from simple drill and physical training no military training is imparted at the college. For the reason given in the reply to parts (b) and (c) the answer to the second part of this question is in the negative.

Statement showing certain information about the senior staff of the Royal Military College, Dehra Dun.

Names.	Academic qualifications.	Age on appointment.	Date of appointment.	Salary.		Extra allowances.	Rental value of free quarters.	Remarks.
				Initial.	Present.			
1	2	3	4	5	6	7	8	9
J. G. C. Scott, Esq.	M.A. (Cantab.)	33	23-10-21	1,500	1,750 <i>plus</i> overseas pay at £30 p. m.	Rs. 150 p. m. Principal's allowance.	185	
C. A. Phillips, Esq.	M.A. (Cantab.)	33	10-2-22	1,000	1,250 <i>plus</i> overseas pay at £30 p. m.	Rs. 100 Section master's allowance.	173	
J. M. Allen, Esq. ..	M.A. (Cantab.)	37	30-11-25	750 <i>plus</i> overseas pay £25.	1,100 <i>plus</i> overseas pay £30.	Rs. 100 Section master's allowance.	272	
J. C. Pritchard, Esq.	B.A. (Oxon.)	25	23-7-26	400 <i>plus</i> overseas pay Rs. 150.	700 <i>plus</i> overseas pay £25	Rs. 100 Section master's allowance.	274	
W. V. Berkeley, Esq.	Was appointed while in residence at Oxford before he took a degree.	22	14-1-27	Do.	600 <i>plus</i> overseas pay £15.	..	194	
J. T. Badham, Esq.	M.A. (Cantab.)	28	14-11-27	550 <i>plus</i> overseas pay Rs. 150.	800 <i>plus</i> overseas pay £25.	..	97*	* Messrs. Badham and Catchpole are in occupation of 1/3rd portion of the unmarried officers' quarters separately.
F. C. Harris, Esq. ..	M.A. (Oxon.)	23	29-7-28	400 <i>plus</i> overseas pay Rs. 150.	550 <i>plus</i> overseas pay Rs. 150.	..	249	
H. Catchpole, Esq.	B.A. (Oxon.)	21	26-10-28	Do.	450 <i>plus</i> overseas pay Rs. 150.	..	97*	
E. Watson, Esq. ..	M.Sc. (Shelfield).	29	5-1-33	600 <i>plus</i> overseas pay £15.	600 <i>plus</i> overseas pay £25.	..	239	

Mr. Gaya Prasad Singh : I understood the Honourable Member to say that no military training is given in the Royal Indian Military College at Dehra Dun.

Mr. G. R. F. Tottenham : Yes.

Mr. Gaya Prasad Singh : If that is so, why should the name be the Royal Indian *Military* College ? It becomes a misnomer.

Mr. G. R. F. Tottenham : Because it prepares boys for the Indian Military Academy examination.

Mr. Gaya Prasad Singh : Without any military training at all ?

Mr. G. R. F. Tottenham : Yes.

TEACHING STAFF OF THE INDIAN MILITARY ACADEMY, DEHRA DUN.

858. ***Mr. B. N. Misra :** (a) Will Government be pleased to state if there are any Indians on the teaching staff of the Indian Military Academy, Dehra Dun ? If not, why not ?

(b) Why are military officers only appointed for the teaching of such subjects as Elementary Mathematics, Geography, Law, Drawing, Higher Mathematics, Economics, Science, etc. ?

(c) If the answer to the latter part of (b) above be in the affirmative, are Government prepared to take the necessary action to replace the military officers with Indians with proper qualifications ?

(d) Will Government please state the number of officers in the Military Academy getting (i) Rs. 300 and upwards and (ii) below that ?

(e) How many (i) Europeans, (ii) Indians are there in the cadre above Rs. 300 ?

Mr. G. R. F. Tottenham : (a), (b) and (c). The attention of the Honourable Member is invited to the answer to starred question No. 759 asked on the 13th March last.

(d) (i). 15.

(ii). 2.

(e) (i). 15.

(ii). None.

EXTENSIONS GIVEN TO THE COMMISSIONER AND ASSISTANT COMMISSIONER OF INCOME-TAX IN THE UNITED PROVINCES AND THE PUNJAB, RESPECTIVELY.

859. ***Bhai Parma Nand :** (a) Will Government be pleased to state if it is a fact that in the Income-tax Department, extension has been given for the second time to an Income-tax Commissioner in the United Provinces, and that an extension has also been given to an Assistant Income-tax Commissioner in the Punjab ?

(b) Is it a fact that Government have issued instructions that persons who have done 25 years' service should be made to retire ? If so, why is it that extension is so freely given in the Income-tax Department ?

(c) Are Government prepared to consider in the interests of economy that such extension should be disallowed and persons who have done 25 years' service be asked to retire ?

The Honourable Sir George Schuster : (a) Yes.

(b) No. The second part of the question does not arise.

(c) That is a matter for consideration in each case. Extensions have only been granted when that has been considered to be in the interest of public service.

STOPPAGE OF EXPRESS TRAINS AT KHATAULI, NORTH WESTERN RAILWAY.

860. ***Bhai Parma Nand :** (a) Will Government be pleased to state whether the Up Bombay Express No. 57 and Down Express No. 58 do not stop at Khatauli on the North Western Railway, which is nearly midway between Muzaffarnagar and Meerut Cantonment ?

(b) Is it a fact that Khatauli has a much larger population—eight or nine times the population of Mansurpur and Daurala where these trains stop—and is also commercially more important and also the nearest Railway Station to the Tahsil headquarters at Janseth ?

(c) Are there any special reasons why the Bombay Express trains should stop at those stations and not at Khatauli and will Government please state the reasons ?

(d) Is it a fact that a big sugar mill is also being erected at Khatauli and will Government please give the figures for the goods and passenger traffic on this station from the 1st April to the 15th August, 1933, as also the figures for Mansurpur and Daurala stations for the same period and also for the corresponding period in 1932 ?

(e) Are Government prepared to consider the advisability of asking the North Western Railway Administration to arrange the stoppage of the Express at Khatauli ?

(f) Is Mansurpur only five miles from Muzaffarnagar and Daurala and six or seven miles from Meerut Cantonment ?

Mr. P. R. Rau : (a) Yes.

(b), (c), (d) and (f). Government have no information.

(e) I am sending a copy of this question to the Agent, North Western Railway, for considering the suggestion made by the Honourable Member.

CLASSIFICATION IN JAIL OF INDIAN PRISONERS.

861. ***Bhai Parma Nand :** (a) Is it a fact that the *social status* and the *mode of living* of the convict is the sole test applied by Government in the matter of the classification of Indian prisoners into three classes ?

(b) Is it a fact that Government have always been extremely averse to the entertainment of any proposal aiming at discrimination between ordinary and political prisoners ?

(c) Is it not a fact that *normally* every prisoner is entitled to associate with other prisoners of his own class, and that the Jail Manual even permits, with certain limitations, an only prisoner of a particular class to associate with one or more of a different class if he so desires ?

(d) Will Government please state whether they have authorised the Inspector-General of Prisons to frame and issue discriminatory regulations, and are Government aware that they virtually do away with the provisions of section 60 of the Prisoner's Act, so far as they are applicable to *Delhi* ?

If so, how do they reconcile their position with oft-professed principle of non-discrimination between the ordinary and political prisoners ?

- (e) Is it also not a fact that in addition to his segregation :
- (i) the so-called terrorist prisoner does not get the special remission permitted in the case of ordinary prisoners ;
 - (ii) he is not entitled to be made a convict-official, and loses the special remission and other facilities incidental thereto ;
 - (iii) he cannot get any of the better kind of labour, such as clerical work, etc. ;
 - (iv) he is not permitted books from outside ;
 - (v) he is not permitted a newspaper even when placed in the B class ?

The Honourable Sir Harry Haig : (a) Social status, education and habit of life are the criteria for admission to classes B and C but admission to class A is depend-nt also on the nature of the crime for which the prisoner is convicted and on his being a non-habitual prisoner.

(b) Government have not recognised a special class of political prisoners.

(c) It is a fact that prisoners are normally allowed a certain amount of association with other prisoners and that where there is only one prisoner of a certain class it is usual to give him some facilities for company.

(d) Section 60 of the Prisons Act confers a rule-making power on Local Governments. The Government of India are not aware that any Local Government has issued rules, or authorised any Inspector General to issue orders, which are not in accordance with the general instructions prescribed by the Governor General in Council for the classification of prisoners.

- (e) (i) The rule relating to special remission applies to all prisoners equally.
- (ii) No prisoner has any right to be made a convict official. Such appointments are made purely by selection.
- (iii) Prisoners are ordinarily employed on the class of labour for which the Medical Officer certifies them to be fit. No prisoner has any right to any less severe form of labour.
- (iv) and (v). There is no discrimination against terrorist prisoners in the matter of facilities for reading either books or newspapers.

CASE OF MESSRS. VAISHAMPAYAN AND POTDAR, ACCUSED IN THE DELHI CONSPIRACY CASE.

862. ***Bhai Parma Nand :** (a) Is it a fact that Vaishampayan and Potdar were acquitted by the Sessions Judge of Delhi in a case under the Explosive Substances Act ?

(b) Is it a fact that both the persons above-named were immediately re-arrested and confined in jail ?

(c) Is it a fact that Potdar was released after three or four days ?

(d) Will Government be pleased to state why he was detained ?

(c) If the facts mentioned in part (a) are correct, do Government propose to state whether any action was taken against the officer concerned for causing inconvenience to the Hindu staff and interfering with the observance of their religious day ? If not, are Government now prepared to take suitable action to avoid a repetition of such occurrences ?

The Honourable Sir Frank Noyce : (a) Government have seen the article in question.

(b) and (c). Government have no information, but the matter is within the competence of the Head of the Circle concerned to whom a copy of the question is being sent.

RETRENCHMENT OF HINDUS IN THE PUNJAB AND NORTH-WEST FRONTIER POSTAL CIRCLE.

867. ***Bhai Parma Nand :** (a) Is it a fact that Government have laid down the policy of giving weight to communal proportion in services in the matter of

(i) Recruitment,

(ii) Retrenchment of personnel ?

(b) Is it a fact that recently the Postmaster-General, Punjab and North-West Frontier Circle, has retrenched 19 officials of the Railway Mail Service, out of which four are Muslims, one Sikh and fourteen Hindus ?

(c) Is it a fact that out of the 19 officials retrenched, four Muslims, six Hindus, and one Sikh are those who have voluntarily retired and that the remaining eight who have been retrenched are all Hindus ?

(d) If replies to parts (a), (b) and (c) be in the affirmative, will Government please state why Hindu officials have been retrenched out of all proportion ?

(e) Do Government propose to restore to service the Hindu officials, who have thus been retrenched ?

The Honourable Sir Frank Noyce : (a) The facts are substantially as stated by the Honourable Member.

(b) to (e). Information is being collected and a reply will be laid on the table in due course.

RETRENCHMENT OF HINDUS IN CERTAIN RAILWAY MAIL SERVICE DIVISIONS.

868. ***Bhai Parma Nand :** (a) Is it a fact that recently some four selection grade officials have been retrenched in Railway Mail Service "D" and "L" Divisions, who are all Hindus ?

(b) Is it a fact that there are orders from Government of India that the proportion amongst communities existing before retrenchment should not change after retrenchment ?

(c) Is it also a fact that officials who volunteer themselves to retire under retrenchment concessions or otherwise are not regarded as retrenched personnel for the purpose of maintaining communal ratio as stated in part (b) above ?

(d) Is it also a fact that the retrenched Hindu officials have barely put in a service of 30 years in the department, whereas others who have

been left over are officials with more than 32 years of service ? Is it not against the intentions of and contrary to the instructions laid down by the Government of India in this connection ?

(e) If the replies to parts (a), (b), (c) and (d) be in the affirmative, will Government please state why only the junior Hindu officials have been singled out for retrenchment ?

The Honourable Sir Frank Noyce : (a), (d) and (e). The information is being collected and will be placed on the table in due course.

(b) Yes, the ratio between the various communities existing before retrenchment is to be maintained to the nearest practicable figure.

(c) The fact is not as stated. Officials who retire voluntarily under the retrenchment scheme, but not those who retire under the ordinary rules, are treated as retrenched officials for the purpose referred to.

RETRENCHMENT OF HINDUS IN CERTAIN RAILWAY MAIL SERVICE DIVISIONS.

869. ***Bhai Parma Nand :** (a) Will Government please state the number of Hindus, Muhammadans, Sikhs and others serving in the Railway Mail Service "D" and "L" Divisions in clerical and sorters cadre on the 1st March, 1933 ?

(b) Will Government also please state the number of officials retrenched in those Divisions (excluding those who volunteered themselves for retirement) since 1st March, 1933, as also the communities to which they belonged ?

(c) Is it a fact that the proportion that existed on the 1st March, 1933, in these Divisions has not been maintained ? If so, are Government prepared to restore them to service ? If not, why not ?

The Honourable Sir Frank Noyce : (a) The latest figures in possession of Government which are up to the 31st December, 1932, are as follows :

Railway Mail Service 'D' Division.	Hindus 280, Muhammadans 105, Sikhs 35, Indian Christians 3 and others nil.
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Railway Mail Service 'L' Division.	Hindus 300, Muhammadans 98, Sikhs 62, Indian Christians and others nil.
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(b) and (c). The information is being collected and a reply will be laid on the table in due course. It must not, however, be inferred that Government accept the Honourable Member's implication that voluntary retirements should be ignored.

PERIOD OF STAY OF EACH DEPUTY POSTMASTER GENERAL IN ONE POSTAL CIRCLE.

870. ***Bhai Parma Nand :** (a) Will Government please state if there is any order fixing the limit of stay of a Deputy Postmaster General in one Circle ?

(b) Will Government please lay a statement on the table showing the period of stay of each Deputy Postmaster General in their Circles ?

(c) If any such officer has exceeded the fixed limit, do Government propose to transfer him to some other Circle ?

The Honourable Sir Frank Noyce : (a) The reply is in the negative.

(b) In view of the reply to part (a) Government do not consider that it would be useful to collect the information.

(c) Does not arise.

ALLEGATIONS AGAINST THE SUPERINTENDENT OF POST OFFICES, ROHTAK DIVISION.

871. **^Bhai Parma Nand :** (a) Is it a fact that the present Superintendent of Post Offices, Rohtak Division, closed the Telegraph Branches of Rohtak Head Office and Hissar Cutchery Sub-Office several times during the years 1932-33 and 1933-34 on the ground that no combined hand was available to do telegraph work during the casual leave granted to officials for private affairs ? Are Government aware that this caused delay in the disposal of the telegraph work, and consequent inconvenience to the public ?

(b) Are Government aware that one Mr. Chander Bhan Gupta, reserve clerk, Hissar Post Office, applied for leave owing to his son's serious illness, which was not granted, and the child subsequently died, and even then he was not relieved soon after ? If so, will Government please state why some arrangement could not be made to relieve Mr. Chandar Bhan ?

(c) Will Government please state whether the Director General, Posts and Telegraphs, ever issued any instructions to his subordinates in the matter of granting leave in such cases of emergencies ? If so, why were those instructions not acted upon by the Superintendent of Rohtak Division ?

(d) Is it a fact that during the time Mr. Chandar Bhan's son was ill, a combined hand was available in the office of the Superintendent, Rohtak Division but his services were not utilized on this occasion ? If so, why ?

(e) Is it a fact that there are standing orders to the effect that a combined hand should not be posted to the Superintendent's office nor any clerk kept in such offices for more than five years ? If so, will Government please state how many such officials are working in the office of the Superintendent, Post Offices, Rohtak Division, contrary to Government orders and what action they propose to take in the matter ?

(f) Is it a fact that the combined hand working in the office of the Superintendent, Post Offices, Rohtak Division, since a long time was ordered several times by the Postmaster General to be removed but his orders have not been carried out by the Superintendent ? If so, why not ?

(g) If the facts are as stated in parts (a) to (f), will Government please state what action they propose to take against this Superintendent ? Do they propose to refer to his personal records in other Circles before he was transferred to the Punjab which is his home ?

The Honourable Sir Frank Noyce : (a), (b), (d), (e), (f) and (g). Government have no information. The Head of the Circle is fully competent to deal with the matters to which the Honourable Member refers and a copy of this question is being sent to him.

(c) The fact is not as stated. The Director General's instructions which the Honourable Member seems to have in mind relate to the prompt relief of officials in cases of their own serious illness. The latter part of the question does not arise.

DEMAND OF WHITE-SETTLERS FOR THE CONTROL OF FINANCES OF THE KENYA GOVERNMENT.

872. **Mr. Gaya Prasad Singh :** (a) Has the attention of Government been drawn to the *Tanganyika Opinion* of the 4th August, 1933, pages 2, 3 and 4 publishing a memorandum under the heading "Kenya Leaders Memorandum on White Demands", which purports to be a memorandum submitted by the leaders of the Kenya Indian community to the President of the East African Indian National Congress on the subject of Kenya White Demand for control of finances of the Kenya Government ?

(b) Has the attention of Government been drawn to the Presidential Address delivered at the Kenya Indian Unofficial Conference to consider the serious situation, which is published in the *Tanganyika Opinion* of the 4th August, 1933, at page 6, under the heading "President's Revealing Address at Mombasa" ?

(c) Has the attention of Government been drawn to the Resolutions passed at the Indian Unofficial Conference held at Mombasa, which are published in the *Tanganyika Opinion*, at page 5, under the heading "A Challenge to the Kenya White Demands" ?

(d) Do Government realize that an overwhelming serious situation has arisen in Kenya in regard to the future status of the Indian settlers in that colony ?

(e) Are Government prepared to make representations to the Government in London on the subject of relieving the tension ?

Mr. G. S. Bajpai : (a), (b) and (c). Yes.

(d) and (e). The attention of the Honourable Member is invited to the Press Note on the subject issued on the 11th August, 1933.

DEMAND FOR CLOSER UNION OF EAST AFRICA INCLUDING TANGANYIKA WITH KENYA.

873. ***Mr. Gaya Prasad Singh :** (a) Has the attention of Government been drawn to a leading article under the heading "Closer Union Menace", at page 10 of the *Tanganyika Opinion* of the 11th August, 1933 ?

(b) Are Government aware of the situation arising out of the Kenya Whites' Demand for control of colonial finance and Closer Union of East Africa including Tanganyika with Kenya so as to give them an over-riding voice in the East African Government ?

(c) Are Government aware that the Indian community of Tanganyika are opposed to any kind of Closer Union of the mandated territory with Kenya ?

(d) Will Government be pleased to inform this House as to how far negotiations have been carried on with the Imperial Government up to now on the subject of the Closer Union of East Africa and the question of white self-government in Kenya ?

Mr. G. S. Bajpai : (a) and (c). Yes.

(b) I would invite my Honourable friend's attention to the Press Note to which I have just now referred.

(c) So far as the Government of India are aware, His Majesty's Government contemplate no departure, in the matter of Closer Union, from the decision announced in July, 1932.

PERMISSION TO MR. SAILENDRA NATH GHOSE, AN EXILE, TO RETURN TO INDIA.

874. ***Mr. Bhuput Sing :** (a) Will Government be pleased to state whether their attention has been drawn to the letter of Mr. Sailendra Nath Ghose, President, Indian National Congress, America, addressed to Mr. S. C. Mitra, as published in a Free Press message from Simla, dated the 27th July, 1933, requesting him and his colleagues in this House to take interest in his case so that he may, on his giving reasonable undertakings, come back to his motherland and contribute his share to her improvement under the new Constitution ?

(b) Have Government received any communication from the Secretary of State for India, asking for their opinion on the desirability or otherwise of allowing him to return to this country ?

(c) When, why and under whose orders had the exile taken place ?

The Honourable Sir Harry Haig : (a) I have seen a reference to this in the Press.

(b) The Secretary of State is not prepared to accede to Mr. Ghose's request.

(c) I would invite the Honourable Member's attention to the reply given by me to Mr. Gaya Prasad Singh's question No. 788 on the 20th March, 1933, to which I have nothing to add.

Mr. S. C. Mitra : Will Government allow the gentleman to come to India and then launch a prosecution under any section of the Penal Code ?

The Honourable Sir Harry Haig : His Majesty's Government do not consider it desirable to give this gentleman passport facilities for returning to India.

Mr. S. C. Mitra : Do not the Government consider that this gentleman might create troubles for Great Britain in other countries than India ? If he is really guilty, why not prosecute him and convict him in a court of law ?

The Honourable Sir Harry Haig : I do not think even the gentleman himself is anxious to come here and be prosecuted and punished, because one of his requests is for an amnesty.

Mr. S. C. Mitra : May I tell the Honourable Member that the man is anxious to come here and take the consequences under the laws of the land ? He has written to me.

The Honourable Sir Harry Haig : That is not in accordance with the letter which I saw, which was addressed either to the Prime Minister or to the British Ambassador in Washington.

Mr. S. C. Mitra : May I take it that Government have no objection if the man comes here and is willing to accept any punishment that may be inflicted upon him by a competent Court of law ?

The Honourable Sir Harry Haig : No, Sir. The decision, when this matter was last considered, was that the Government at Home are not prepared to give him facilities for returning to India.

ISSUE OF NEW TEN-RUPEE AND FIVE-RUPEE CURRENCY NOTES.

875. ***Mr. Bhuput Sing :** (a) Will Government be pleased to state the reasons for which the new ten rupee and five rupee notes were issued ?

(b) Why is the paper of the new notes inferior in quality to that of the old ones ?

(c) Are Government aware that these notes run a greater risk of becoming mutilated and unfit for use than the previous ones ?

(d) What was the cost of preparation of each note previously and what will it be now ?

The Honourable Sir George Schuster : (a), (b) and (c). The attention of the Honourable Member is invited to the reply given to starred question No. 338 asked by Mr. Badri Lal Rastogi on the 1st of September, 1933.

(d) Exact figures are not available; but it is anticipated that the total saving in the cost of preparation of ten and five rupee notes will amount to at least four lakhs per annum in a normal year.

READING ROOM ASSOCIATION OF AN INDIAN RAILWAY SCHOOL AT JAMALPUR.

876. ***Mr. Bhuput Sing :** (a) Will Government be pleased to state whether there is a Reading Room Association of Keshabpur M. E. East Indian Railway Behari School at Jamalpur attached to the said school ?

(b) If so, is it a fact that one anna is realised from each student as subscription for increasing the stock of books of the said Reading Room ?

(c) Is Babu Palakdhari Singh, Secretary of the Reading Room ?

(d) Are Government aware if :

(i) any account is kept of the said Reading Room by the Head Master of the School and the Secretary of the Reading Room ;

(ii) there is any stock book at present of the Reading Room ;

(iii) the stock book maintained by the Ex-Secretary, Pandit Madan Jha is preserved ;

(iv) it is a fact that this has been changed and alteration and interpolations have been made now and then ?

(e) Was any enquiry directed into the affairs of the Reading Room recently ?

(f) What were the remarks made by the Inspector of Schools, Bhagalpur Division, in his forwarding note to the Director of Public Instruction, Bihar and Orissa, regarding the present Honorary Secretary of the School and Babu Palakdhari Singh, teacher ?

(g) Was any note submitted by Babu Sambhu Prasad Singh, now a discharged teacher of the school, to the Inspector of Schools, Bhagalpur, directing attention to the mis-managed state of affairs of the Reading Room and to some important matters regarding Babu Palakdhari Singh ? If so, what action was taken on this ? Will Government be pleased to place a copy of the said note on the table ?

Mr. P. R. Rau : Government have no information but I have sent a copy of the question to the Agent, East Indian Railway, for any action he might think it necessary to take.

REJECTION OF APPLICATIONS FOR APPOINTMENTS FROM THE SONS AND RELATIVES OF POSTAL OFFICIALS OF THE CALCUTTA GENERAL POST OFFICE.

877. ***Mr. D. K. Lahiri Chaudhury :** (a) Is it a fact that applications for appointments from the sons and relatives of the postal officials working at the Calcutta General Post Office, who are inhabitants of the Dacca, Rajshahi or Chittagong Divisions, are rejected by the Presidency Postmaster, Calcutta, on the ground that they are not inhabitants of the revenue divisions adjoining Calcutta ?

(b) Is it a fact that the Director General has issued such an order ?

(c) If so, do Government propose to relax this order, allowing sons and relatives of the postal officials to get appointments in the Calcutta General Post Office ?

The Honourable Sir Frank Noyce : (a) Government have no information.

(b) and (c). The Director General has laid it down as a general principle that candidates for the subordinate postal and telegraph services must belong to the revenue divisions in which they desire to enlist. Heads of Circles are, however, empowered to exercise their discretion should local conditions make this necessary. The Honourable Member's suggestion will however be considered and suitable supplementary orders will be issued giving Heads of Circles more latitude.

RETENTION IN CALCUTTA OF BABU ASWINI KUMAR CHOWDHURY, TOWN INSPECTOR OF POST OFFICES.

878. ***Mr. D. K. Lahiri Chaudhury :** (a) Is it a fact that there is a standing order to the effect that Secretaries of the Postal Unions will not be transferred within one year of their election as Secretary ?

(b) Are Government aware that Babu Aswini Kumar Chowdhury, a Town Inspector of the Calcutta, General Post Office, has been elected as Honorary Secretary of the Calcutta Postal Union ?

(c) Is it a fact that he is likely to be transferred out of Calcutta due to abolition of selection grade Town Inspectors' appointments in Calcutta ?

(d) If so, are Government prepared to provide for him in one of the existing vacancies of the selection grade supervisors in the Calcutta General Post Office, so that he can be retained in Calcutta ?

The Honourable Sir Frank Noyce : (a) The order, relating to Secretaries of recognised associations, is substantially as stated by the

Honourable Member, but exceptions are permitted in the interests of service.

(b) and (c). Government have no information.

(d) A selection grade Town Inspector has, on the abolition of his post, to be transferred to the cadre of sub-divisional Inspectors and Head Clerks to Superintendents of Post Offices and not to the selection grade cadre of the general line. Government therefore regret that they are unable to accept the Honourable Member's suggestion which would be unfair to the men in the general line.

REPLACEMENT OF SELECTION GRADE TOWN INSPECTORS OF POST OFFICES AT CALCUTTA BY TIME-SCALE MEN.

879. ***Mr. D. K. Lahiri Chaudhury** : Is it a fact that Government have decided to replace the selection grade Town Inspectors of Post Offices at Calcutta by time-scale men ?

(b) Is it a fact that the Calcutta Postal Union made a representation to the Presidency Postmaster, Calcutta, to appoint senior time-scale clerks as Town Inspectors ?

(c) Is it a fact that in spite of the representation from the Union the Presidency Postmaster has appointed some junior men as Town Inspectors ?

(d) Are Government prepared to see that senior clerks are appointed in these posts ?

The Honourable Sir Frank Noyce : (a) Yes, in common with selection grade Town Inspectors at all other places.

(b) to (d). Government have no information. The matter is entirely within the discretion of the Head of the Circle to whom a copy of the question and of this reply is being sent.

-FORWARD POLICY OF GOVERNMENT ON THE NORTH-WEST FRONTIER BORDER.

880. ***Mr. M. Maswood Ahmad** : Will Government be pleased to state their policy in connection with the forward policy adopted on the North-West Frontier border ?

Mr. B. J. Glancy : The policy of the Government of India is to maintain the peace of the border and foster good relations with the tribes in the hope that in time civilisation will spread gradually through the tribal area. For further particulars regarding this policy, I would invite the attention of the Honourable Member to the speech made by Sir Denys Bray on the 5th March, 1923, in this Assembly.

REPORT OF THE TARIFF BOARD ON GLASS INDUSTRY.

881. ***Mr. A. Das** : (a) Is it correct that the Tariff Board submitted its report on the glass industry in the United Provinces to Government early in 1933 ? If not, when do they propose to submit it ?

(b) If the reply to the first part of (a) be in the affirmative, have Government considered the report ?

(c) When do they propose to publish the same ?

(d) Why has there been so much delay in its publication ?

The Honourable Sir Joseph Bhore : (a) The Report was submitted in March, 1933.

(b), (c) and (d). It is still under the consideration of the Government of India. In the meantime, representations have been received from the glass industry for protection under the Safeguarding of Industries Act, 1933, and these are under examination.

MOTION FOR ADJOURNMENT.

ALLEGED SCURRILOUS ARTICLE IN THE *Daily Gazette* RE MAHATMA GANDHI.

Mr. President (The Honourable Sir Shanmukham Chetty) : I have received a notice from Mr. B. R. Puri that he proposes to ask for leave to make a motion for the adjournment of the business of the House today for the purpose of discussing a definite matter of urgent public importance as follows :

12 NOON.

“ The unsatisfactory replies given on behalf of Government to starred question No. 787, asked by Mr. Lalchand Navalrai, relating to a scurrilous article in the *Daily Gazette*, dated the 18th August last, and the attitude and policy of Government as disclosed by those replies.”

I have to inquire if any Honourable Member has any objection to this motion.

The Honourable Sir Joseph Bhore (Leader of the House) : Sir, I am obliged to you for informing me as to which notice I am to reply to. My Honourable friend, Mr Puri, has, I think, given notice of a number of motions—three altogether—and I was a little uncertain as to which of these we had to deal with. Judging from the number of these notices, my Honourable friend, I think, was not sure of his ground and I venture to submit that there is some reason for his anxiety. In so far as his motion relates to the alleged unsatisfactory replies given by Government yesterday, I submit that it is, in accordance with the ruling of the Chair given recently, out of order. The question to which those replies relate must itself be related, according to your ruling, Sir, to a matter of recent occurrence. This question, Sir, has reference to the publication of an article which, I understand, saw the light of day on the 18th August. I submit, therefore, that in virtue of your own ruling this is not a matter of recent occurrence within the meaning of Rule 12. But, in whatever form my Honourable friend, may have conched his notice, what he really wants, I submit, is to discuss the alleged unsatisfactory replies which were given yesterday. In attempting to go behind the ruling of the Chair, I venture to submit that that has made his case very much worse. The urgent matter which he now suggests should be discussed is the attitude and the policy of the Government in respect of the administration of certain enactments of this Legislature. Now, that policy did not come into existence yesterday or last month or last year. It is the normal policy which has been adopted by the Government of India for a considerable time. That policy, therefore, I submit, is not a matter of recent occurrence within the meaning of Rule 12 of the Legislative Rules. What my Honourable friend really means to do is to attack the Government for not having directed the Local Government to launch a prosecution in respect of an article which was published so long ago as the 18th

August. I submit that it was open to my Honourable friend or any Member of this House to have obtained information and to have made this motion on the first day of the Session or immediately thereafter. In this connection, may I read your own ruling which, I think, is entirely relevant to the present case :

“ If Honourable Members are not in full possession of the facts with regard to a particular case and if no short notice is taken of that, what they should do is actually to ask for the leave of the House to move the adjournment motion and then ask the leave of the House for permission to waive objection on the question of urgency until full facts are available to all Honourable Members. If that course is adopted and, if the Chair is satisfied that it is a proper case, necessary permission could be given to move the motion on a later date.”

Sir, for these reasons, I submit that the motion is out of order.

Mr. B. R. Puri (West Punjab : Non-Muhammadan) : Sir, after hearing the Honourable the Leader of the House in the short speech in which he has given us the benefit of his view as to the interpretation of the rule which governs the admissibility of the motions for adjournment of the House, I confess I feel quite unconvinced of the force of his objection. I am not seeking the adjournment of the House on the ground that the Government yesterday, on the floor of this House, tendered unsatisfactory replies to a certain set of questions which were put to them. Let it be very clearly understood by the Government that I am not asking the permission of the House for the adjournment of the House on that ground. Nor, Sir, am I seeking the adjournment of the House on the ground that, as far back as the 18th August, there was a particular article of a particular character which was published in Karachi in a particular paper. I am not seeking, again I submit, the adjournment of the House on that ground, because that would not be a recent event. I would be wholly out of court if I sought, at this time of the day, after the Assembly has been in Session from the 22nd of last month, to grant me permission to discuss a matter which I could have brought to the notice of the House on the very opening day of the Assembly Session. I confess that I will be wholly out of court if I asked this “ adjournment ” on any one of these grounds. The ground on which I am seeking the adjournment of the House is very simple and I will ask the Honourable the Leader of the House to note my words, *i.e.*,—“ the attitude of Government, as disclosed by a certain set of replies which were given yesterday ”. Now, the interpretation of the Honourable Member of the “ policy ” of the Government is that, it cannot be recent and it must be deemed to be spread over a long time and cover a very wide area both in space as well as in time. That is perhaps correct, and if I had confined the ground for my adjournment motion merely and solely to the “ policy ”, perhaps, I might have been out of court again. But, Sir, the “ attitude ” as distinguished from “ policy ” is a definite act and I request this House to appreciate the distinction between the “ policy ” and a particular “ attitude ”, which is a specific act and a specific incident, and which in the present case came to the light for the first time yesterday in the course of the interpellations. My Honourable friend has misconceived the identity of the word “ matter ” as used in the Standing Order. The confusion has arisen, because Government think that I am seeking to have a certain “ matter ” discussed, which in fact I am not. I am not seeking to discuss the unsatisfactory nature of the replies nor

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the publication as such of a certain article. What I in fact propose to discuss is the "attitude" of the Government which came to light for the first time to our great amazement and horror, namely, that the Government, under the circumstances disclosed, were not prepared to interfere in the matter and were to treat the whole incident with supreme indifference. That, Sir, is the true position and, I submit, that my motion is perfectly in order.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : My Honourable friend, Mr. Puri, has made it clear that the object of his motion for adjournment was to censure Government on their failure to exercise their powers of superintendence, direction and control in this very important matter as disclosed in the reply to the question yesterday. We all expected that when this particular matter was brought to the notice of the Government of India, they would exercise their powers of superintendence, direction and control when the Bombay Government had failed in the discharge of their duties. It is this particular attitude of the Government, as has been clearly explained, that is at issue and it is an urgent matter of public importance and, I submit, that this motion should be allowed.

Mr. President (The Honourable Sir Shanmukham Chetty) : The first objection raised by the Honourable the Leader of the House to the motion is based upon a ruling given by the Chair not very long ago that the mere unsatisfactory nature of the reply to a question will not by itself be a sufficient ground for moving the adjournment of the House irrespective of the original subject matter with which the question was concerned. So far as that objection is concerned, the Honourable Member, Mr. Puri, has made it clear that it is not his intention to censure Government on this motion merely on the unsatisfactory reply that they gave to the question. The Chair takes it that the reference to the unsatisfactory reply in the motion is only by way of explanation to what follows in the motion itself, namely, the attitude and policy of Government as disclosed in that unsatisfactory reply. So, the Chair has now to decide as to whether an adjournment motion for the purpose of censuring Government on their attitude and policy, as disclosed in a certain reply, is in order under the rules. The Chair has to find out whether it is a definite and urgent matter of public importance. Now, the attitude of Government in this respect is certainly a matter of public importance, and it is also definite, because, the Chair takes it that it is the intention of the Honourable the Mover to censure Government for their failure to exercise their powers of superintendence and control (Hear, hear) in the matter which, in their opinion, seriously affects the peace of the country. To that extent, therefore, the question sought to be raised is definite. It is urgent, because that policy and attitude were disclosed only yesterday to this House. On a previous occasion, on the 21st March, 1929, an adjournment motion to discuss the policy of the Government in sanctioning wholesale raids and arrests in different parts of India was held to be in order. That shows that though generally the policy of the Government cannot be considered to be one of recent occurrence, occasions may arise when the policy and attitude of Government may become a matter of urgent public importance. The Honourable the Leader of the House said that this policy of Government did not come into existence yesterday and was not a matter of recent

occurrence. It is quite possible that Government might have consistently followed this policy to their knowledge, but that knowledge might have come to the possession of the House only yesterday. Therefore, under those circumstances, this motion is in order. (Applause.) As objection has been taken, the Chair would request those Honourable Members, who are in favour of leave being granted, to rise in their places.

(More than 25 Members stood in their places.)

Mr. President (The Honourable Sir Shanmukham Chetty) : As not less than 25 Members have risen, I declare that leave is granted and that the motion will be taken up for discussion at 4 P.M. this afternoon.

The House will now resume discussion on the Reserve Bank Bill.

THE RESERVE BANK OF INDIA BILL.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran : Non-Muham-madan) : Sir, when I was speaking yesterday, I was trying to develop the point that the establishment of a State Bank was conducive to the best interests of the country. As the proposed Bank will have to transact extensive business in different directions, the confidence of the people will not be secured if the Bank is a private bank with shareholders. The work of currency and exchange ought, in the fitness of things, to be the concern of the Federal Government and of the Federal Legislature. Therefore, any institution of this kind which is divorced from the control of the Federal Legislature will not be acceptable to the people of this country, and will not be conducive to their interests. With reference to this point, I should like to give the opinion of Mr. John Maynard Keynes. In his book on "Indian Currency and Finance", 1924 edition, at page 235 he says :

"At the present time the arguments in favour of a State Bank for India are very strong, far stronger than they were in 1867 or even in 1898. The Government have taken over so many of the functions of a Central Bank that they cannot wisely neglect the task. The note issue of growing importance, the management of the Government's cash balances, the regulations of the foreign exchanges, all these are controlled together and treated as a whole."

Afterwards he has summarised in the next page the arguments in favour of a State Bank. I am not going to burden my speech with any further quotations with regard to the arguments which Mr. Keynes has advanced. Recently, I understand, Mr. Keynes, in his memorandum to the Chamberlain Commission, had urged that the Central Bank for India should be a State Bank and not a Shareholders' Bank. Sir, none among the financial experts in this country seems to favour a Shareholders' Bank. Mr. C. S. Rangaswami, a financial expert of reputation, in his article which was contributed to the *Roy's Weekly*, dated 4th September, has urged the establishment of a State Bank and not a Shareholders' Bank. In the course of that article, he says :

"The first is the problem State Bank *versus* Shareholders' Bank. On this issue, to urge the virtues of a State Bank is futile and profitless as, from the beginning, the Government of India have been opposed to a State Bank and the London Committee has unanimously decided in favour of a Shareholders' Bank. However, developments, subsequent to the London discussions, are of a character as to necessitate a more careful consideration of this question. The *Financial News*, in Air Mail week, has referred to a scheme which the present Conservative Government are contemplating with a view to make the Bank of England assume a form midway between its present status as a Shareholders' institution and the dream of the Socialists of a nationalised central banking institution."

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Even if we assume for a moment that there are virtues in a Shareholders' Bank of this nature, I would suggest that the State should have at least a moiety of the shares in this Shareholders' Bank, or it may be free to buy up the shares when necessary at some future date. There should also be a restriction that the shareholders should not be allowed to transfer their shares to non-nationals. Such a restriction exists in similar Banks of many other countries in the world. In the Netherlands, Denmark, Czecho-Slovakia, etc., voting rights are exercised by nationals of the country, and, in the charter of the Lithuanian Central Bank, it is provided that foreigners cannot hold more than one-third of the capital. A further safeguard provided by certain charters is that only nationals are eligible to hold office in the Central Bank. There is no such restriction in the proposals made in the Bill. Then also there must be a clause that the majority of the Directors must be Indians or of Indian domicile. Sir Basil Blackett, when he introduced his Bill in 1927, conceded this point. In the official report of the Legislative Assembly, dated the 30th August, 1927, he stated as follows :

" May I say that I shall be perfectly willing to add to the draft amendments I have that no one, who is not an Indian or a British subject ordinarily resident in India, should have a vote."

So I take it, this point has been conceded by Government themselves, and I am surprised to find that there is no reference to it in the Bill presented now by the Finance Member. The other point to which I should like to refer is the agreement with the Imperial Bank. It is proposed that the Imperial Bank will act as the sole agent for the Reserve Bank. This will add to the patronage which the Imperial Bank enjoys at the hands of Government, and the position of the indigenous banks of the country will be precarious. The indigenous banks require special facilities for development, and I should think that there should be some suitable provision inserted in any agreement which might be entered into between the Reserve Bank of India and the Imperial Bank, safeguarding the legitimate interests of the indigenous banking system. I should like also to ask why it is proposed to confer this benefit only on the Imperial Bank of India. It is also proposed, Sir, that the Reserve Bank of India should have no branch of its own in London and that it should transact its business through the London branch of the Imperial Bank. This also is open to objection. The Imperial Bank is dominated by European interests, and the interests of the indigenous banking organisations in this country will not be adequately protected if the proposal for the agreement with the Imperial Bank is carried into effect.

I would next refer, Sir, to the ratio question which also finds a place in the report of the London Committee. I have no desire to dig up the buried bones of a dead controversy which raged round this question a few years back, but I must say that the suggestion not to reopen this question is one which cannot be accepted in the best interests of this country. Now, Sir, in the Mansfield Commission report which was submitted as far back as 1866, this question was dealt with at some length :

" The Commission was appointed by the Government of India on the 3rd February, 1866, with Sir William Mansfield as Chairman, and it was the first of its kind set up in India. The Commission distinguished itself by making as early as 1866 two important recommendations, *vid.*, (1) the introduction of a ' universal note ', and (2) the introduction of a gold currency. The first recommendation was carried out in 1909, when, for

the first time, the five-rupee note was made 'universal' for the whole of India, the second recommendation forms the subject of acute controversy and doubt at the present time."

I am referring to a very useful book, "The Monetary Problems of India" by Mr. L. C. Jain, which I would commend to Honourable Members for perusal.

The Herschell Commission in 1892 recommended the ratio to be fixed at 1s. 4d. What does the report of the London Committee state on this point? They say as follows:

"We consider that the only sound course for India is to remain on the sterling standard. On that basis the exchange obligations incorporated in the Bill must necessarily be in accord with the rupee sterling ratio existing at the time when the Bill is introduced."

Sir, I will now refer Honourable Members to some of the proposals of the London Committee. They recommend that a minority of the Board should be nominated by the Governor General in Council under the present Constitution, and by the Governor General at his discretion under the new Constitution. Sir, the Governor General in Council at the present moment is not constitutionally responsible to this House, while the Financial Minister of the future will be responsible to the Federal Legislature as well as to the Federal Government, and I see no reason why this discrimination has been sought to be made in this particular recommendation. The Committee also recommends that the first appointment of Directors should be made by the Governor General in Council. This also is open to very serious objection. Why should Directors be appointed by the Governor General in Council? If this is to be a Shareholders' Bank, the shareholders themselves must have the power to appoint their own Directors.

There is also one point to which I should like to make a passing reference. It has been claimed by my Honourable friend, the Finance Member, that the proposal in the Bill that the different Indian States should fall into different geographical areas is an improvement. I submit, Sir, that it is not an improvement as it is made to appear. Formerly the Indian States were, if I remember aright, proposed to be included only in the Delhi province, where they could have exercised their influence in the selection of Directors; but now, under the present proposal, the influence of these States can be exercised in all the five geographical areas into which this country is sought to be divided, and their influence will be exercised more or less over the whole field of those areas. In that sense also, this proposal does not seem to be an improvement. There is another proposal that the profit of the sale of gold must belong to the Reserve Bank. My opinion is that the profit of the sale of gold must belong to the State. The Reserve Bank may utilise that money by way of loan, but the proprietary right of the profit must belong to the State and not to the Reserve Bank. As to the other recommendation of the Report, as regards the appointment of the Governor and Deputy Governor or Deputy Governors, the majority of the London Committee hold that the Governor General in his discretion should be the appointing authority when the new Constitution comes into force. Here, again, the Committee have made a distinction between the Governor General in Council under the present Constitution and the Governor General alone in his discretion in the future Federal Constitution. The minority of the Committee, however, hold that these appointments should be made by the Board of Directors subject to the

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approval of the Governor General. The opinion of the minority seems to be an improvement upon the proposal set forth by the majority on this point.

There is only one little point which I should like to raise before this House. Why is this hurry for the establishment of a Reserve Bank in India far in advance of the time when the Federal Legislature is supposed to come into existence and to be functioning? The Secretary of State for India said that central responsibility depended upon the proper functioning of the Reserve Bank. I should like to know what inherent connection there is between responsibility at the Centre and the functioning of the Reserve Bank. Sir Tej Bahadur Sapru, Mr. Jayakar and others protested against this position being assigned to the Reserve Bank with regard to the future Constitution of India. The Reserve Bank, as I stated at the outset in my speech, on proper lines would be an institution which we should all welcome; but, framed as it is, it is open to objection on different points. I have merely tried to indicate some of the points to which objection might be raised. The Reserve Bank must be a Reserve Bank, in the proper sense. It should not be a preserve bank to preserve the vested interests of foreign capitalists. The proposal, as adumbrated in this Bill, seems to make it a sort of preserve bank and not a Reserve Bank.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor : Non-Muhammadian Rural) : Sir, the Honourable the Finance Member, in introducing this Bill, said that he was following the precedent set up by his predecessor in the matter of the procedure he was adopting; and, then, he moved a motion for referring this Bill to a Joint Committee of both Houses. If he proposes to follow precedent, I may also request him to have 28 Members on the Joint Committee as on the previous occasion, and not 24 as now proposed; and I hope he will agree to this number being added.

The Honourable Sir George Schuster (Finance Member) : If that is the general view of the House in the course of this debate, speaking on behalf of the Government, we should be perfectly prepared to adopt that course, and I should ask you, Sir, in due course to allow an amendment to that effect to be moved.

Mr. T. N. Ramakrishna Reddi : I am thankful to the Government for accepting this small amendment. It is with great trepidation that I have to oppose the motion of my revered friend, Mr. Vidya Sagar Pandya, who is a doyen in the financial world, for sending out this Bill for circulation. If I differ from such a great authority, it is only on some valid and substantial grounds. My first ground is that an identical Bill which was introduced in 1927 was sent for circulation and there is already abundance of public opinion that has been expressed upon it which can be had if Members require it. Again, if it is said that much time has elapsed since then and that so many tremendous changes in monetary values have occurred in the world subsequent to that time, my reply is that it is very recently that the Government appointed the Banking Inquiry Committee, composed of very able financiers, including, Sir, yourself, which went about the country, made a thorough inquiry, examined witnesses who were experts in financial matters, and published

their report ; and even that report strongly recommends the establishment of a Reserve Bank as the only panacea for all the ills to trade, commerce and agriculture this country is suffering from.

These are not my only grounds for my pressing for taking up this Bill immediately. I have got stronger grounds. I am an agriculturist, and I represent the interests of the agriculturists. Nobody will deny the fact that India is pre-eminently an agricultural country, and many millions of the people depend upon the good prices they get for their agricultural products. In such an agricultural country as India, there is a seasonal demand for the expansion of the currency. Expansion of currency is necessary only in some particular seasons, when there is abundance of crop in the hands of the farmer and the crop requires to be moved from one place to another so that the producers may get good prices for the crops. A Government which does not do banking business and which is only a currency authority is not expected to know the seasonal conditions or the seasonal demands for the expansion of the currency. It is only a bank which does credit operations that can understand the position. The bank note issue generally is based upon the business transactions, and it will expand or contract according to the seasonal needs and hence a bank, like the Reserve Bank, which is entrusted not only with credit operations, but also with the issue of currency, is very necessary, because it will be in a position to know the seasonal demand for expansion of currency. Mr. Kisch in his book on "Central Bank" says this :

" Government are not as sensitive as a bank to the conditions in the financial and commercial world."

It is the bank that is the barometer to judge the necessity for this expansion. Hence, Sir, a bank, such as is proposed to be established, is quite essential for India.

There is, again, another reason why the agriculturists want a Reserve Bank to be established at as early a date as possible. We all know that the Government collect *kists* just about the time when the agriculturists get their crops on hand. I do not know the conditions obtaining in other provinces, but, in my Presidency, the collection of *kists* begins from December and goes up to April. That is just the time when the agriculturists get their crops on hand and they have to pay their *kists*, and, therefore, they have to sell their crops at whatever price they can get, and it is exactly the time when the creditors will also sit tight over them and collect their dues. Therefore, the poor agriculturists are forced to sell their produce at whatever prices they can get to pay up the Government dues as well as to satisfy their creditors. At present the Government are carrying on their collection work by means of treasury operations. Of course, the Imperial Bank is authorised to open branches and to undertake treasury transactions on behalf of the Government, but yet, Sir, at present there are only about 100 or 120 branches of the Imperial Bank, and they are very small in number when compared to the vast size of the country. Therefore, almost all the taxes that are being collected go to the treasuries with the result that crores of rupees have been withdrawn from circulation and locked up in these treasuries, and this money ultimately perhaps goes to the coffers of the Secretary of State and then lent out in the United Kingdom at favourable rates of interest. However, that

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may be, the net result is that so much of the currency has been locked up in these Government treasuries, and there is a contraction of the currency in the country. When there is a contraction of the currency, as every economist knows, prices of commodities will go down, and hence it is the agriculturist who suffers from this contraction. On the other hand, if all this money is placed in the hands of the Central Bank, it can again flow out of the bank and get into circulation in its transactions with the farmers with its creditors or with other banks. Thus the money will be in circulation in the country itself, and it will tend to raise the price of agricultural produce. For all these reasons, Sir, I strongly recommend that there should be a Reserve Bank established in this country as early as possible.

Then, Sir, the Honourable the Finance Member, while introducing the Bill yesterday, said that it had been agreed that the Bank, if it was to be established, should be free from political influences, and the Report of that packed Committee of London had also stated in paragraph 3 that they fully accepted the principle that the Reserve Bank should be free from any kind of political influence. But, Sir, neither the Report nor the Honourable the Finance Member has explained to us what that "political influence" means. If it means that the Assembly or its representatives or the politicians of the country, who have no knowledge of financial matters, should not interfere with the day to day working of the Reserve Bank that is to be set up, than I entirely agree with the Finance Member that such influence is not beneficial for the good of the working of the Reserve Bank ; but if it is meant that there should not be even a single representative of this House, however eminent he may be in the financial world, or as the Report wants, it should be a Shareholders' Bank and not a State Bank, then, in that case, I beg to differ. How can it be free from political influence at all ? The constitution of the Bank, as disclosed in this Report or in the Bill, clearly states that the Governor General with the help of his Ministers at present will appoint a Governor, a Deputy Governor and four Directors out of perhaps 15 Directors. So I ask, are not the Government of India a political body ? And a Governor General while exercising the powers of nominating, has necessarily to consult his Cabinet and the Secretary of State, and the Secretary of State is responsible for the good government and also for the moral and material progress of this country to the Parliament. Sir, the future Governor General has to exercise so many powers that it is not possible for any human Governor General to exercise all those powers. It requires really a super-human Viceroy or Governor General to exercise all those powers. Unless he has two attributes out of the three that are associated with God, that is omnipotence and omniscience, it is impossible for any Governor General to exercise all these powers.....

Mr. B. Das : You are forgetting the Financial Adviser.

Mr. T. N. Ramakrishna Reddi : Even with the help of his advisers, the Governor General will not be able to exercise all these powers properly. Therefore, it is no use saying that the future Bank should be free from political influence. There will certainly be political influence exercised in one way or the other.

Then, Sir, one point was not made quite clear by the Honourable the Finance Member yesterday in his speech. He merely said that the Reserve Bank should be free from political influence, and this Report attempts a sort of definition of what kind of that political influence is. In the second sentence of the third para. of the Report, it is said :

“ The best device which the practical experience of other countries has evolved for achieving this object is that the capital of the Bank should be held by private shareholders ; and we recommend that this plan should be adopted as in the case of India.”

Putting these two statements together, one will come to the conclusion that a bank to be free from political influence should be only a Shareholders' Bank, and not a State Bank. So, if we accept this motion for reference to a Joint Select Committee, then it might be understood that we have accepted the principle of a Shareholders' Bank, and not a State Bank...

Some Honourable Members : No, no.

Mr. T. N. Ramakrishna Reddi : If that is not so, I should be very glad, but I should like the Government Member to make the point clear whether the Joint Select Committee will be allowed to discuss the principle whether it should be a State Bank or a Shareholders' Bank.

Mr. B. Das (Orissa Division : Non-Muhammadan) : It is not a principle.

Mr. T. N. Ramakrishna Reddi : That is how I understood from the speech of the Honourable Member and that is why I want to make that clear,—whether the question is open for discussion whether it should be a State Bank or a Shareholders' Bank. If it be so, then I am for the reference of this Bill to a Select Committee where the Chairman will not be in a position to tell the members of the Committee that, since they have accepted the principle, they ought not to discuss the question that it should be a State Bank. I want the Honourable the Finance Member to make that point clear, because, on that point, depends the vote of my Party. As a matter of fact, my Party has discussed this question and we have decided that we will give our vote if the Select Committee is permitted to discuss this question whether it should be a State Bank or a Shareholders' Bank.

At this time we are not called upon to discuss the detailed sections of the Bill. There are only two important questions to be discussed at this stage. It is of great interest whether the future Bank will be a State Bank or a Shareholders' Bank, because it is agitating the minds of so many people already. It does not require a great financier to discuss the question whether it should be a State Bank or a Shareholders' Bank. Every one can use his reason and his common sense and arrive at a conclusion. Applying these two tests, I find that it is monstrous that we should entrust the heavy responsibility of the destinies of this country in the matter of currency and finance into the hands of a few shareholders who will contribute a share capital of five crores of rupees though they may have to deal with many crores of rupees in daily transactions.

An Honourable Member : Shareholders do not lay down policy :

Mr. T. N. Ramakrishna Reddi : I mean the Directors who are appointed by the shareholders, and it is much worse, because it is a smaller body. I am not in favour of entrusting such heavy responsibilities to the

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representatives of a few shareholders who happen to purchase shares to the extent of Rs. 5 crores. From the agriculturist's point of view, I cannot look at the prospect with equanimity, of a certain number of shareholders, who form a coterie, being entrusted with the currency policy of the country. According to this Bill, the value of a share is Rs. 500, and it is only a person who purchases two shares that is entitled to exercise his vote. This means that the person must invest at least Rs. 1,000 before he can exercise his vote. As I said, the Bank will be entrusted with a heavy responsibility and will be given ample powers in the matter of dictating the policy of the currency and finance of this country. Trading and commercial interests, represented by my Honourable friends like Mr. Mody and Sir Cowasji Jehangir, would be the first to take advantage of it and to purchase as many shares as it is possible under the circumstances. Under this Bill a limit is placed upon the number of votes a person may exercise, but there is no limit fixed for the number of shares he can purchase. 6 per cent. interest on investment is a very tempting proposition for financiers like Mr. Mody and Sir Cowasji Jehangir and they would not grudge investing lakhs and lakhs of rupees in this concern.

Mr. H. P. Mody (Bombay Millowners' Association : Indian Commerce) : Unless the Bank gives us overdrafts, I do not think we will be able to purchase them.

Mr. T. N. Ramakrishna Reddi : And thus, ultimately, the destinies of our country will be in the hands of a coterie. On account of the high price of shares and the ignorance that prevails amongst the agricultural community, the agriculturists will not be in a position to take advantage of it and to purchase many shares of the Bank. Hence their point of view will not be properly represented in the Directorate. I am conscious that the Governor General has got power to nominate agricultural interests to make up the deficiency. That will be only one or two, and then they will be in a minority. So, ultimately the policy of the Bank will be dictated by the Directors elected by shareholders who are mostly men from the trading and commercial interests. The interests of trade and commerce are divergent from the interests of agriculturists. The trading interests will want to purchase agricultural produce cheap, whereas the agricultural interests will want to get as much price for their produce as possible. So the interests of the trading and commercial communities are different from those of the agricultural community. If the policy of the Bank is to be entrusted to Directors, who are elected by these shareholders, then it will be dictated by those interests, and so they would withdraw currency when they want to purchase agricultural produce cheap. That is why, as an agriculturist, I view with apprehension the high price of a share of the Bank. The old Bill provided Rs. 100 per share which was more helpful to the agriculturists.

An Honourable Member : You are a lawyer.

Mr. T. N. Ramakrishna Reddi : I have given up law for the last three or four years ; I am purely an agriculturist.

There is another ground why there should be a State Bank and not a Shareholders' Bank. It is said that if it is a Shareholders' Bank, the shareholders take very great interest in the management of the Bank and it will be free from Governmental interference. Yesterday, Mr. Vidya Sagar Pandya pointed out in his speech how the shareholders took interest in the

management of the Imperial Bank of India. According to him, very few attend any meetings and their interest ceases after electing Directors of the Bank. Again, when once the Directors are elected, they hold their office in free-hold-in-perpetuity, and thus the policy will continue for ever and ever. If that is the interest which the shareholders take in a Bank, where they can expect higher and higher dividends, I wonder what kind of interest the shareholders will take in a Bank which fixes the maximum dividend that can be declared at 6 per cent. only. They are sure, that

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with so many privileges which the Reserve Bank enjoys as the dictator of the currency and credit system of India, they would get their own dividends and, when they are sure of that, they will not take any interest at all in the management of the Bank. So it is mere bunkum to say that the shareholders will take any interest in the Bank after they have elected the Directors. If it were a State Bank, all the interest or the dividend that this Bank earns would go to the Government Treasuries and that might lighten the burden of tax on the people. I do not want that this interest should be earned by the shareholders. They can as well invest the five crores of rupees in other industries and commerce and earn more money and thus enrich the country. On that consideration also, I want that the Bank should be a State Bank and not a Shareholders' Bank. We have got the experience of the management of railways by private companies, and the experience that we have gained does not encourage us in the belief that the future Reserve Bank, if it is to be a Shareholders' Bank, will work very satisfactorily. The representatives of the people have urged on the Government to take back the management of the railways to the hands of the State, and important lines have already been taken up by the Government and it is only on account of financial stringency that the other railways have not been purchased. With that experience, I have no belief that a Shareholders' Bank will serve the interests of India better than the State Bank. Again, it is said, that the whole idea of the establishment of a Reserve Bank is that the control of the Government should be removed and that it should be restored to the representatives of the people and that the Government of India should have no influence at all. But, Sir, as I have said, it is impossible to divest the influence of the Government of India from the working of this Bank. As I said, the Governor General will have a great voice in nominating the Governor and the Deputy Governors and others. As a matter of fact, the whole administration of the Bank will be in the hands of the Governor and the Deputy Governor who are nominees of the Governor General and, hence, it is impossible to escape the influence of the Government in the working of the Bank. I may state that we are not so much afraid of the influence of the Government of India as of the influence which the Secretary of State wields over the head of the Government of India in the management of financial and currency affairs of this country. If left to themselves, I do not think the Government, whether it is an irresponsible Government as it exists now or a Government with a semblance of responsibility in the future, will conscientiously do anything against the interests of India. We are only afraid of the influence that the Secretary of State may bring to bear on the Government of India. That is what we want to avoid. We had an experience recently when England went off the gold standard. Immediately on hearing this, the Honourable the Finance Member, with the first impulse of the dictates of the best interests of the country, promulgated an Ordinance divorcing the rupee from the sterling. The very next day, the Secretary of State for India, who has the interests

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of his own country at heart, made the Government here pass an Ordinance abrogating the previous one and also linking the rupee with the vicissitudes of the sterling. It is that influence that we want to avoid. After all, it is very difficult to divest the Government from any political influence. After all, it is the Legislature that is creating the Bank. It is the child of the Legislature and it is bound to carry some heritage of its creator. For all these reasons, I think that it should be a State Bank. I may tell you that in 1928, when this Bill was introduced and discussed, the Select Committee unanimously recommended a State Bank and the then Finance Member accepted the principle of a State Bank and the Banking Inquiry Committee also recommended a State Bank. The whole country wants it and I do not understand why the London Committee, which was a packed Committee, came to another conclusion that it should be a Shareholders' Bank, with the honourable exception of Lala Ram Saran Das.

I shall now say a few words about the constitution of the Bank. This country is peculiarly situated. Here the interests of the Britishers have been strongly established and it is impossible to eliminate any representation of the European commercial and mercantile interests in the future working of the Reserve Bank. But, though we are not opposed to a small representation, we require,—if the Government succeed in persuading us that it should be a Shareholders' Bank,—that the Directorate must be predominantly Indian and it should subserve the interests of only Indians. In this connection I would like to quote one or two lines from the speech delivered by you, Sir, when you were on these Benches. You said :

“ Unfortunately, the history of currency in this country has brought to the forefront this fact, that the interests of India, as understood by Indians, are very different from the interests of India, as understood by the European community. I would, therefore, impress the necessity for making ample provision to entrust the control of the Reserve Bank to Indian hands, people who know the interests of India best.”

Sir, it is said that there should be no representation of the Legislatures on the Directorate, because that would bring in political influence. As I said, the Directorate should not be dominated by the representatives of the Legislature, but there should be some provision for some sort of representation of the Legislature if it is to redress any deficiency. Supposing there are great bankers and financiers like Mr. Vidya Sagar Pandya and Sir Purshotamdas Thakurdas in this Assembly ; then, on account of such restrictions, they would not find a place on the Directorate of the Bank. In order to restore or redress any such deficiency, there should be a provision that there should be some representation, though it may be one or two representatives, elected from the Legislature. If it is thought that their remaining in the Legislature, after being Directors, will be construed to be a political influence, then a provision might be made that they might resign the membership of the Assembly in order to become a Director. Some such provision ought to be made in the Bill.

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : May I point out, Sir, that, so far as I can see, there is nothing in the proposals at present which will stop what the Honourable Member proposes to do. Any Member of the Legislative Assembly, who chooses to become a Director of the Bank and is ready to resign his seat in the Assembly, can do so under the present proposals.

Mr. T. N. Ramakrishna Reddi : From the reading of the Bill I understood that no representation should be made from the Assembly.

Sir Cowasji Jehangir : There cannot be any representation from this House as such, but any Member of this Assembly can offer himself to be appointed a Director or to be elected a Director and he can then resign immediately.

Mr. T. N. Ramakrishna Reddi : I see there is a provision to that effect. Sir, the Honourable the Finance Member, in regard to the relations between the Reserve Bank and the Imperial Bank, said that the new agreement should be made with the Imperial Bank on the lines suggested by the old Bill. He commended to our acceptance the provisions contained in the Third Schedule to this Bill which practically reproduces the provisions that were contained in the original Bill. The circumstances have since changed. At that time, when the old Bill was under discussion, the agreement between the Imperial Bank and the Government had to run three more years. Under that agreement, the Imperial Bank had to do certain functions ; they had to help the development of trade and industries of this country. They must develop the banking habits of Indians by taking in more Indians as apprentices or giving employment to more Indians and also by encouraging indigenous banks

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member may resume his speech after Lunch. But before the House adjourns for Lunch, the Chair would appeal to Honourable Members that, though technically there is no time limit to speeches on a legislation, in view of the importance of the measure and the restricted time at our disposal and the great number of members of different Parties who are anxious to take part in the debate, Honourable Members will do well to impose upon themselves a reasonable time limit. The Chair does not want to unnecessarily restrict the right of any Honourable Member to speak as long as he likes, but the Chair would regretfully point out that it has already observed a tendency for very tedious repetitions of the same arguments by Honourable Members. If the Chair finds that tendency again, it will have to prevent Honourable Members from indulging in repetitions.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Mr. T. N. Ramakrishna Reddi : Sir, after what has fallen from the Chair just when we were rising for Lunch, I would put upon myself a time limit and bring my remarks to a close. At that time I was stating that the Government expected certain things to be done by the Imperial Bank and, further, according to the terms, the Government required the Imperial Bank to do treasury business on behalf of the Bank. In return for this work to be done by the Imperial Bank, the Government were allowing large cash balances to remain with the Bank free of interest. At times, the average balance would amount to nearly 20 crores. Some-time last year, I moved a Resolution in this Assembly for the appointment of a Committee to enquire into the working of the Imperial Bank in all its branches. At that time, I dealt with, in detail, how the Imperial Bank had failed to come up to the expectations of the Government and how it

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proved to be a menace or rival to the indigenous banking system and how it brought in racial discrimination in the matter of disposing of applications for credits. At that time, the Honourable the Finance Member, in reply, stated that all these things would come up for consideration when we came to discuss the Reserve Bank Bill sometime later on. On that assurance, I withdrew my Resolution. The whole period of contract has now elapsed and now we are establishing a Reserve Bank in India and there are absolutely no grounds for extending any sort of privilege to the Imperial Bank now. According to the Bill, it is contemplated to place nearly five crores with the Imperial Bank free of interest. No valid reasons are urged by the Government why this privilege should be extended to the Imperial Bank even after the contract period has come to a close. The only reason, if at all, that the Imperial Bank would urge, is that it has opened branches to the extent of about 120 as per terms of the contract and that, on that ground, the Government should extend this privilege. But, according to their own admission, most of the branches are now paying concerns except a few branches which are lying in outlying parts ; and, hence, if this privilege is extended to the Imperial Bank, it will have a dominating position and it would be a perpetual menace to the indigenous banks in India. The Government should try to develop the indigenous banking system, and if they extend this abnormal privilege, it will not tend to the development in that direction. The Bill provides that the Imperial Bank should act as a sole agent for the Reserve Bank in all places where the branches exist. Here also there is a discrimination against indigenous banks. I should like to suggest that wherever there are indigenous banks or their branches, a sort of tender should be called for for doing the work of the Reserve Bank and no such discrimination should be made in favour of the Imperial Bank.

One point more that I should like to urge, before I conclude, is this. According to the provisions, each Bank, which comes under the Schedule of the Reserve Bank Bill, will have to deposit 10 per cent. of the cash balances with them in the Reserve Bank. That will be an unnecessary curtailment of the working of the indigenous banks which usually work on their bare margin and hence that provision also should be modified in the way of permitting each bank under the Schedule to deposit as much amount as is convenient for the bank to spare. I hope all these points will be considered by the Select Committee. If the Honourable the Finance Member is prepared to give an assurance that all these points would be dealt with in the Select Committee, then, I, for my part, and on behalf of our Party, can say that we will be in favour of accepting the motion before the House.

Mr. H. P. Mody : Mr. President, my Honourable friend, the Finance Member, expressed satisfaction at the fact that towards the close of his career, it had fallen to his lot to pilot a measure of this character.

The Honourable Sir George Schuster : No "satisfaction".

Mr. H. P. Mody : Do I understand my Honourable friend to say that he does not feel any satisfaction in piloting this measure ? I suppose he puts it down to some of the speeches which he has heard. Anyway, I congratulate my Honourable friend that it has fallen to his lot to pilot this Bill and, if I may say so, I regard it as a fitting culmination of his five

long and anxious years of office that it should have been his good fortune to be on the way to place on the Statute-book such a very important measure. (Hear, hear.)

Mr. B. Das : How on the Statute-book ?

Mr. H. P. Mody : Yes, with such amendments as my Honourable friend succeeds in introducing.

Now, Sir, two Honourable Members, who addressed this House at considerable length, had something to say about the nature of the Committee which was appointed, and which deliberated on this measure in England. My Honourable friend Mr. Pandya, said that he did not know what the qualifications of those gentlemen were and that they were not at any rate elected by the House ; and my friend, Mr. Reddi, also suggested that it was a packed Committee and that he did not see what its qualifications were. Considering that most of the Indian members of the Committee, members who belong to this House, happen to be Leaders or Deputy Leaders of the parties, groups and couplets that exist in this House, I do not know whether it is the intention of my Honourable friend to suggest that their Leaders and Deputy Leaders do not possess their confidence.

Mr. Gaya Prasad Singh : And incidentally supporters of the Ottawa betrayal.

Mr. H. P. Mody : What does my Honourable friend know about Ottawa ? The only word he knows is "betrayal". But I have a warm regard for him in spite of his idiosyncrasies and I would advise him in his own interests not to betray such crass ignorance about things. There are matters beyond my Honourable friend's ken ; to put it in a homely way, the shoemaker to his last.

Sir, I was saying that we in this House have some experience of how members get elected or selected to various committees. And I doubt very much whether the selections made by Government were any worse than this House itself might have made if the choice had been left to it. I hope, therefore, it will not lie in the mouth of any Honourable Member to suggest that we, who went to England, were not representative of this House or did not know what we were talking about.

Now, let me go on to the Bill. Let the House clearly understand that by the very fact that we are going to set up a Reserve Bank in India, the millenium is not going to be ushered in. Every important country today has got some sort of Reserve or Central Bank, and, in spite of that, currencies have tumbled down and the whole credit system has collapsed. It is only in Great Britain that the credit structure has stood and, even there, if I may venture to suggest a rather novel point of view, I would not say that it was largely or entirely due to the operations of the Bank of England, even though the Bank of England is the bedrock of finance all over the world ; I would say that it is largely due to the conservatism of the people and to the financial genius of the City that the structure of England has stood as solidly as it has done. Therefore, by the mere fact that we are setting up a Reserve Bank in India, we must not think that we are setting up a machinery which will make impossible any fluctuations of the exchange or which will bring absolute stability to the finances or the credit structure of India. But the

[Mr. H. P. Mody.]

Reserve Bank will do a great deal even without attempting this. Amongst the many functions of the Reserve Bank, when it is properly established, will be to increase the banking power of the country, to provide against undue rigidity or expansion of credit, to co-ordinate governmental and business finance, to assist member banks during times of crisis, to free the financial mechanism of the country, both from the control of big business and of officialdom, and to help in a sense to reduce foreign indebtedness. The Reserve Bank will do something even more, and that is, it will carry on open market operations as and when required, a matter in which Government somehow or other have never been able to take their courage in their hands. After all, what are the two weapons which Reserve Banks employ in all countries? Rediscounting of bills and open market operations. In India, as is very well known, the bill market is in a very undeveloped condition, and the only way in which a Reserve Bank can and should function is by open market operations calculated to reduce the volume of credit or to enlarge it as and when the occasion arises. All these are very important functions, and I think that if the Reserve Bank is properly established and if it has got the right sort of directorate, its influence on the fortunes of India will be enormous. The only doubt that arises in my mind is whether this is quite an opportune time for setting up a Bank. It seems to me that if the choice had been left to us it is just possible that the Bank would not have come into existence at this particular stage. But, after all, we have no choice in the matter. It was beyond the ken of the Committee which went to England to question whether the time had arrived for setting up a Reserve Bank. Either by the Round Table Conferences or by some other body or authority it was laid down that a Reserve Bank was a condition precedent to the establishment of financial autonomy and to the establishment of Federation. It was stated that the Reserve Bank would have to be successfully functioning before financial autonomy could be conceded to India or before Federation could be brought into existence. Therefore, Sir, there was no choice, and today we find ourselves in the position of having to devise ways and means to set up a Bank on sound lines.

Now, Sir, a great deal has been said in the course of the last two days on the question whether it should be a State Bank or a Shareholders' Bank. My objection to a State Bank is that I do not want the control of the State over the Reserve Bank's operations. I do not want that rigid sort of control which would necessarily be exercised by the State if, for instance, it held all the capital. And what I should like my Honourable friends to remember is that even though this may be a Shareholders' Bank and the State may technically have nothing to do with it, it is a matter of common knowledge that the State in every country, where there is a Shareholders' Bank, has an enormous influence on the operations of the Bank. Take even such a strongly entrenched institution as the Bank of England. The Bank of England has very close relations with the Treasury, and, while the Bank of England is technically in a thoroughly independent position and can defy the Treasury if it wants to, the co-operation between the Treasury and the Bank of England is so close that it may almost be said that the State has a hand in the regulation of the affairs of the Bank of England. I

should like my Honourable friends to remember that, by merely putting up a Shareholders' Bank, we are not doing away altogether with the control of the State or the Finance Member. If he knows his business, he will have a direct influence upon the way in which the operations of the Bank are carried on. Now, Sir, I quite understand certain objections being raised to a Shareholders' Bank, but those objections have been sought to be met by us in the Bill which is the result of the report that we have put up. One of the objections which naturally arises in the mind is that if there is a Shareholders' Bank, then naturally the profits, that ought to go to the State and form part of the general revenues, are diverted to a lot of shareholders who had the good fortune to have got hold of a few shares. We have provided against that, and we have laid down the ultimate limit at 6 per cent. I may say that I would have gone a little further than my other colleagues and I would have reduced it still further, because of the prevailing money rates in the country today. As regards individual holdings, we have tried to ensure that no one section can exercise an undue influence upon the deliberations of the Directorate; and through the medium of regional holdings and through the fact that no shareholder can have at the very outside more than ten votes, we have I think successfully secured that end. But it is just possible that our calculations may be upset, the reasoning upon which we have based them may be found to be unsound after a few years; and, therefore, I would be prepared to concede that an opportunity should be given at some stage to determine whether a Shareholders' Bank is the right sort of bank, and, therefore, I would be inclined to favour the suggestion that after a term of years the State might have the option of buying up the shares, and at that time, of course, the composition of the Directorate would also have to be revised. That suggestion has been made and I think that there is something in it which might well be explored in the Select Committee.

The next point that I would like to deal with is the constitution of the body. It has been laid down that the Governor shall be appointed by the Governor General at his discretion under the new Constitution. I have differed from that view. I put up a suggestion before the Committee, a suggestion to which I still hold, and that is that the proper way of appointing a Governor of such an important institution is by the Directorate with the approval of the Federal Government; and I went further and said that if these two bodies failed to come to an agreement, then the Governor General at his discretion might appoint the Governor. My reasoning was this: here is the Directorate of the Reserve Bank: before ever it is called upon to appoint a Governor, it may be a few years during which it will have quite sufficient experience. That body, I say, would have enough experience to make it possible for a right selection to be made; but there again I impose the approval of the Federal Government, and I say if these two very competent bodies, namely, the Directorate with its experience and the Federal Government with all those larger considerations which are ever present to the mind of a Government but which may not be present to the minds of a small body or an individual, if between these two they agree upon the choice of one man, then I say that that man may be presumed to be the right sort of person. I, therefore, disagreed with what is laid down in the Committee's Report, and is to be found in the Bill, namely, that the Governor should be appointed at the discretion of the Governor General.

[Mr. H. P. Mody.]

Now, about the Directors : I realise too well that the mere process of selection by a number of people who have acquired shares in the concern is not the most ideal way of getting hold of the best man. I feel particularly that with the limitation which has been imposed, namely, that the Director should not belong to the Legislature, that he should not be a member of any other Bank, that it will be extremely difficult to get the right sort of man. That is my view. But I do not think it lies in the mouth of my democratic friends here to question the principle of selection at the hands of what might be called a popular body. They have always fought for the right of election and here they have got it : let them at any rate not cavil at it. So far as I am concerned, I realise that it is not the best method ; and I made a suggestion, again turned down, and which in fact did not find any supporter almost ; and that was that while you give the right of nomination to the Governor General and while you give the right of selection to a number of shareholders, you ought also to give three or four seats, or at least two, to recognised commercial bodies and associations which would at any rate ensure that the member who represented them would have the proper equipment for the task of a Director of such an important institution. I do not know whether that suggestion is going to find any more favour here than it found there ; but I do feel that it is one which requires to be explored, and which ought not to be rejected, so to say, out of hand.

I now go on to another subject, and that is the subject of the link to sterling and the ratio which I see is being vigorously ventilated in various commercial bodies and in the press.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions : Muhammadan Rural) : You said you would refer to the Finance Minister in the future Government coming into this scheme of yours : how does he come in ?

Mr. H. P. Mody : As I pointed out, the Finance Member is always in touch with the Governor and Board of the Reserve Bank : they are bound to consult him at every turn, and while it may not be statutorily laid down, if my Honourable friend will see what other countries are doing, he will come to realise that there is always a close connection between the Treasury and the Central Bank of a country. I was speaking with regard to the linking of the rupee to sterling and the ratio. So far as I am concerned, my Honourable friends know what my views are with regard to the linking of the rupee to sterling. You will remember, Sir, that in 1931, when Great Britain went off the gold standard, we tabled a Resolution which we carried by an overwhelming majority in this House, which was moved by yourself and which was seconded by me ; and we gave sufficient reasons, from our point of view, in the course of our speeches for holding that the linking to sterling was an unwise thing. I cannot say that that is not my opinion now : but I feel equally strongly at the same time that this at any rate is not the occasion for disturbing the *status quo*. I do not think that in a period of flux, when currencies and currency systems are being changed from day to day, a change of this vital character can be made without very considerable dislocation of the finance, industry and trade of the country ; and, therefore, in spite of all the criticisms that have been uttered in public, I hold very strongly that this, at any rate, is not the time for disturbing the position which exists. As regards the

ratio, I hold the same view. Nobody in this country, or at any rate only a very small section of the country, has ever had anything, but the utmost condemnation of the way in which the currency policy of the country has been managed and of the way in which the one and six ratio had been forced down our throats. I say, this ratio has brought untold harm to the country, and I do not care what other opinions are held. I think it is the considered opinion of anybody who understands anything about the trade, industry and finance of the country that this ratio has brought very great evils in its train. But, here, again, I say that we cannot sit down at a Select Committee table and say "Now this ratio is bad : let us see what ratio we are going to fix". That is not the way in which the ratio will be altered or will have to be altered. But I do feel at the same time that it is up to the Government to watch the situation very carefully and from day to day and revise their policy the moment it is found to be necessary. It is a matter of common knowledge that the Government of India would have been forced off the ratio had it not been for the very fortuitous exports of gold. I am not sure that before the Reserve Bank comes into operation, the Government will not have occasion to revise their policy and to consider whether the ratio ought not to be altered. I say that the Government ought to keep this public feeling in this country perpetually in view. They must have the courage to retrace their steps, to see the folly of their ways, and when it is realised that the ratio cannot be held together without serious detriment to the interests of this country, then they must immediately revise it. That is the meaning of the suggestion we have made....

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions : Non-Muhammadan Rural) : Is it not likely that the Reserve Bank, if it comes into existence, will prove an instrument in facilitating the revision of the ratio ?

Mr. H. P. Mody : My Honourable friend wants to know if it is not likely that the coming into existence of the Reserve Bank by itself will facilitate the reversion of the ratio. He is right in this sense, that when there is a competent body handling the credit structure of the country, if that body realises that the ratio cannot be held together without serious detriment, naturally the opinion of that body will have considerable weight with the Government. And I say, Sir, that the only meaning to be applied to the words which we have used in the Report, namely, that it is up to the Government and the Legislature to see that no undue strain is placed on the resources of the Bank,—the only meaning is that the Government must not hesitate to alter the ratio if they feel that the present ratio cannot be maintained without hurting the best interests of the country.

3 P.M.

There is another point on which, I am afraid, I am again in a minority, it is rather a technical point,—and that is with regard to the proportion of the reserves which have been laid down in the Bill as the minimum reserve to be held against the note liability of the country. According to my reading of the situation, many countries are beginning to think that the minimum reserves which have been laid down by Statute are unduly restrictive of the operations of Central Banks, and the trend of opinion now is in the direction of reducing these minimum reserves with a view to giving greater power in the hands of the Central Banks to control the credit structure of the country. We have laid down a very high minimum

[Mr. H. P. Mody.]

reserve. It may be that it may serve to inspire confidence in the international money markets, but, at the same time, it may also be that at a later stage it may be found that it hampers to a great extent the way in which the credit structure of the country has to be handled.

There is only one other point, and that is with regard to the proposed arrangements with the Imperial Bank. We are not hostile to the Imperial Bank, but at the same time we must see to it that no arrangement is arrived at with that institution which is at all calculated to hurt the interests of the indigenous banks. A great deal has been heard in the last few years about the way in which the Imperial Bank has brought banking at the door of a great many people. That is perfectly true, but, I say, it is also true that if the Imperial Bank had not established itself in the places where it has now got branches, the indigenous banks might have found their way there. I can say from experience of a Bank of which I happen to be a Director—I say from experience, that the competition of the Imperial Bank, where both it and the indigenous banks have branches, has very seriously affected the interests of the indigenous banks. By all means strike a fair deal with the Imperial Bank, but the country will have to see that whatever arrangement is come to with the Imperial Bank is not of such a character that the indigenous banks, which are struggling against great handicaps to minister to the needs of trade and industry in places which the Imperial Bank cannot reach, are not seriously affected. These banks, which are performing such a useful function should have a fair play and fair field, and if the arrangement that the Government propose to make with the Imperial Bank satisfies those conditions, I for one would not grudge an arrangement whereby the Imperial Bank is properly compensated.

These are points which will have to be considered in the Select Committee. All I will say is that it is a matter of very great importance to this country, even though this may perhaps be an unseasonable time for the setting up of a Bank, that the Reserve Bank should come into existence. It will establish the confidence of the public in the financial machinery of the Government. What has happened in the past is that no matter what operation has been undertaken by the Government in the way of contracting or expanding currency, we have been apt always to put it down either to the hand of Whitehall or to the hand of the British business interests. It may be that we have done an injustice to Government; but our experience has been so bitter that I think we may be pardoned for making that assumption which we have made in previous years. All that is going to be changed, and now the operations which the Reserve Bank will carry out for the purpose of regulating credit and currency—those operations, at any rate, will not be suspected and in the country there will be this confidence that the management of an important undertaking is in hands which may be trusted to look after the interests of India. A Reserve Bank will also be of importance from the international point of view. My Honourable friend says, and I think with legitimate pride, that the credit of India stands high today. But the credit of India will stand even higher when the Reserve Bank is established and is found to be functioning successfully.

For all these reasons, I ask my Honourable friends to consider this measure as one of great national importance. Let us all apply our minds

to the problem and regard it as one in which no party predictions or prejudices need enter, but as one in which we are all vitally and equally interested. (Cheers.)

Sir Cowasji Jehangir : Mr. President, I do not know of any Bill or any subject that has been more thoroughly discussed and considered than that of the establishment of a Reserve Bank for India. As we all know, there have been two Bills drafted, one actually considered by this Honourable House some years ago. These Bills were criticised, and were seriously considered by all interested in banking and finance in India, and today we have, let us hope at least for some years to come, the last of these Bills to bring a Reserve Bank into existence.

I think one of my Honourable friends complained that he had not had sufficient time to consider the very important proposals put forward by the Finance Member based upon the report of a Committee which sat only a few months ago in London. My answer to my Honourable friend is that he has had ample time to read, consider and digest the Bill of 1928 ; he has had ample time to do the same with the Hilton-Young Commission's Report ; he has had ample time to digest the Committee's report which was published some days ago. And, having considered and digested all those three documents, which a man in his position ought to know by heart—I claim he has no justification for now complaining to this House that he has not had sufficient time to consider this Bill.

Mr. Vidya Sagar Pandya (Madras : Indian Commerce) : 24 hours !

Sir Cowasji Jehangir : 24 hours are more than sufficient to consider a measure which he has had years to think over. What is this Bill ? It is based on the Bill of 1928. It is altered in certain respects by a Committee the report of which he has had for days in his hands.....

Mr. B. Das : The 1928 Bill was never considered by this House. It was disallowed by President Patel.

Sir Cowasji Jehangir : It was not considered perhaps by this House, but surely it was considered by my Honourable friend, Mr. B. Das.

Mr. B. Das : No.

Sir Cowasji Jehangir : It was before the public ; everybody read it ; and does my Honourable friend contend that he only read the 1928 Bill for the first time 24 hours ago ?

Mr. B. Das : Yes.

Sir Cowasji Jehangir : Then he has no right to pose as an authority on banking or on the Reserve Bank ; he has no right even to speak before this Honourable House on a Bill of this kind. If my Honourable friend means to say that he has only read the Bill of 1928, 24 hours ago, I can only say that my Honourable friend has devoted his attention to political matters, to matters with which a Reserve Bank is not connected.

Mr. B. Das : I stand by the Joint Committee's Report of 1927, which my Honourable friend has omitted to refer.

Sir Cowasji Jehangir : Well, if he has gone through the Bill of 1927 and the Bill of 1928 and if he has gone through the Committee's Report which has also been in his hands for some days, I confidently say that the Bill presented by the Finance Member need not have been read by him at all. He could have made a speech on the strength of

[Sir Cowasji Jehangir.]

those three documents which would have been perfectly relevant to the Bill presented by my Honourable friend, the Finance Member. Therefore, I do not think, Mr. President, with due deference to my Honourable friends that there can be any real justification for asking for further delay.

Now, Sir, I have been, as you all know, a signatory to this Report and, with such reservations as are contained in that Report, I stand by it, but I regret that I have not much to say in reply to the speeches I have heard up to now, because I claim that nobody has really made out any strong point or argument against any of the recommendations. Now I will come to one suggestion in this Report which has really been contested. That is the question of a State *versus* a Shareholders' Bank. You are well aware that there are only two countries in the world which have got a State Bank. One is Australia, the other is Sweden. Even those countries are considering the position of their Reserve Banks. Not till 1929 or 1930 was the question really considered seriously by economists and by the greatest authorities in the world as to which was the more preferable, a State Bank or a Shareholders' Bank. The matter really became a matter of practical politics during the régime of the last labour Government in England, but I do not desire to go into great details as to why that subject became a matter of practical politics. To put it briefly, the late Labour Government and the Bank of England did not get on very well together and it is an open secret that perhaps the conservatism and caution of the Bank of England drove the Labour Government out of office. To put it shortly, the Government of the day in England wanted to borrow from the open market loans for purposes other than remunerative. There was uproar in the country. The Bank of England refused to help and it was only then that the question really became a matter of practical politics as to whether a State Bank or a Shareholders' Bank was the best thing for a country. I am firmly of the opinion that had England had a State Bank on that critical occasion in 1931, England, far from being in the solid position in which she is today, — top dog in the world of finance — England might have been a bankrupt country regretting that she had a State Bank bound to follow the lead given by the Government of the day.

Mr. B. Das : You are insulting Lord Snowden's memory.

Sir Cowasji Jehangir : I am not here to compliment either Mr. B. Das or Lord Snowden. I am here to relate the facts. Therefore, the question of a State Bank *versus* a Shareholders' Bank is really a question of whether you want an independent authority in this country, that can check Government when Government are liable to go wrong. I agree with my friend, Mr. Mody, when he says that perhaps some of the mistakes that Government made in this country would not have been made had there been a Reserve Bank. We do not want to try experiments again with our finances and, if there were no question of reforms in the immediate future, even if it was a question of reforms 10 or 15 years hence, I should be strongly in favour of a Reserve Bank, to be a check, to be a guide, philosopher and friend both to the Government and to the Assembly. We are in a unique position.

As many Members know, in India the Government, with the assistance of the Assembly, not only lays down the policy but Government are responsible for the management of currency and exchange. In very few countries in the world do Government perform these two functions and, considering the great responsibility that Government bear on their shoulders, is it right to ask them to perform both these functions? If they have blundered, they have done so, because they have had too much thrust upon them. You are asking them to do more than any other Government in a civilised country is asked to do. They have not got the men, the resources, the expert knowledge at their hands. The Reserve Bank is intended to supply that knowledge, that expert opinion, that experience of the world of finance which ought to be at the service of Government from day to day. A good deal of my Honourable friend's speech (Mr. Pandya), a very long speech, the first speech we heard on this Bill, consisted of an attack on the Imperial Bank of India. He gave us a most interesting history of the Directorate of the Imperial Bank. He went back to, I think, 1821 and he gave us all those facts and figures in order to show that a Shareholders' Bank is liable to fail, because the appointment of the Directors is in the hands of a clique, that members of the same firm year after year become Directors. He quoted men having been Directors for 15 years. I should have thought that in certain circumstances that was a good argument for a Shareholders' Bank. It shows that the Directorate have at their disposal at least men of experience, men who have served them for 10 or 15 years. But my Honourable friend seems to think that a constant change in the Directorate is good for a bank. I leave that to my Honourable friends to judge. Is it a good thing to have constant changes in the Directorate or in any commercial body whether it be a bank or any other industrial concern? He gave us the instance of my Honourable friend, Sir Purshotamdas Thakurdas, and complained that he was a Director of the Imperial Bank for the last 15 years and has been its President and Vice-President. I should have thought that we should be grateful to a man like Sir Purshotamdas Thakurdas for having served a public body—for, after all, the Reserve Bank will be public body—for 15 years by devoting his time and attention to the work of that public body and by becoming its President and Vice-President. My complaint is that there may be no continuity in the Directorate of the Reserve Bank. That is my fear, because the provisions of the Bill are such as to make it very difficult to get a continuity of the same Directors. The circumstances of the Imperial Bank and those of the new proposed Reserve Bank are totally different. There may be a block of shares in the hands of one individual which would give him great power. A man may hold 10 or 20 lakhs worth of shares and his proxy would be worth having. A number of such proxies in the hands of the Imperial Bank Manager is a great strength. Then, it is possible for him to say that the successor of such and such man shall be a partner in the same firm. But such a thing is impossible under these provisions. No man can have more than 10 votes, that is to say, a man who holds Rs. 10,000 worth shares will get votes equivalent to Rs. 10,000. For every share that he holds above Rs. 10,000 he gets no voting power. Therefore, if a man holds shares to the tune of ten lakhs in this Reserve Bank, he has the same voting power as a man holding shares of Rs. 10,000.

The Honourable Sir George Schuster : Rs. 5,000.

Sir Cowasji Jehangir : Yes, that is right, because a man gets vote for a share of five hundred rupees. Now, let me draw the attention of my Honourable friends here as to how it is possible for any clique, whether it be the Governor of the Bank or whether it be a clique of shareholders, to get certain Directors appointed year after year. They collect proxies and they go to the biggest shareholders. It is easy to do so when the Articles of Association enable a man to have large holdings with an equivalent voting power. In that case it is possible that a few proxies may mean the majority. Having those proxies in their pocket, they can defy all opposition from others who desire to get fresh blood into the Directorate. But that is impossible, nearly impossible, under the provisions of this Bill. I would like to see the management of the Bank or some shareholders trying to get proxies from men owning only up to a limit of Rs. 5,000 to enable them to get such a number of proxies as to make the election of A, B or C absolutely certain. Therefore, this argument that a Shareholders' Bank will make it possible to have a certain number of capitalists constantly in power is not a correct argument and, it is, in order to avoid that and to make this Bank broad-based upon the will of the people, a phrase very much abused, that this restriction has been inserted. Therefore, I think I may respectfully point out to my Honourable friend, Mr. Pandya, that his apprehensions are not valid. Now, Mr. Pandya says that they are based on his past experience. It may be so. I understand that he has been the Manager of the Hindustan Bank for 25 years and has been associated with three other Banks. If Mr. Pandya would give the names of his Directors and the number of years they have served on that Directorate, he may give us as interesting figures as he was able to read about the Imperial Bank. If that is his past experience on which he based his criticism, I maintain that the circumstances are totally different. It is possible that in his Bank a man could be a Director from the very establishment of the Bank till today. I think that is not possible in the case of the Reserve Bank unless the man is extraordinarily good and has the confidence of the people, because the shares of this Bank will be held by the people. It may have been the sad experience with my Honourable friend's Bank, the Bank of which he was the Manager, that he had to put up with old fogies, as he called them. But let me again repeat—I have repeated it three times already and now I repeat it for the fourth time—that it is not possible under the provisions of this Bill.

Now, Sir, so much for the State Bank *versus* the Shareholders' Bank. I presume I shall have the good fortune of perhaps addressing this Honourable House again on this subject. There is only one point on which I would like to refer. I am not going through this Bill, because there is little time at my disposal. We shall have further opportunities of doing so and I do not think that any point has been brought up which is of such importance that you would think it necessary for one of your members who was a member of the Committee to answer it. But there is one point I would like to bring to the notice of the House. That is the question of the ratio. Now, as we all know, there will have to be a clause in this Bill which will lay down the ratio, another as to whether we should be linked to sterling, to gold

or to the dollar. These clauses come into the Bill, because they are to be the instructions to the Reserve Bank as to what the policy of Government is with regard to exchange. Those instructions to the Reserve Bank are given through this Bill. We are not considering the policy of exchange when we consider this Bill. The main object of this Bill is to establish a Reserve Bank. It so happens that it is through this Bill that we have to give instructions to the Reserve Bank as to what the policy of exchange should be. Therefore, the only thing that we can do is to put into the Bill the ratio that may be in existence the day before the Bill comes into operation. Now, Sir, that does not mean by any means that all the signatories to the report agree with the policy of the Government with regard to exchange.

My Honourable friend, Mr. Mody, reminded you, Sir, of the Resolution which you moved when England went off the gold standard. He now says and I was rather surprised to hear it, he now says that this is not the time to make any change. Let me tell this House that so far as I can judge public opinion in India it is that 1s. 6d. ratio is wrong and that Government can with benefit to the country change that ratio. I do not say it can be reduced to 1s. 4d. or 1s. 3d. or 1s. 2d. It is not my purpose to express any opinion, but I must say that public opinion today is stronger than ever it was before, at least in my part of the country. (Hear, hear.) The public feeling is that the time has arrived when Government should give their most serious consideration to the question of ratio.

Mr. H. P. Mody : Does my Honourable friend suggest that I said that this ratio should not be changed ?

Sir Cowasji Jehangir : You did.

Mr. H. P. Mody : I only said at the Select Committee table. Surely my Honourable friend understands it.

Sir Cowasji Jehangir : Quite. When he said he had changed his opinion, I thought that he said that the present exchange should remain.

Mr. H. P. Mody : Nothing of the kind.

Sir Cowasji Jehangir : I am glad to get that contradiction. But, Mr. President, we all know that this ratio cannot be changed by legislation. There are constitutions which lay down that the policy of exchange can only be changed by Government by legislation ; that is the constitution in England today. The British Government cannot make a radical change without legislation, but what does the British Government do ? What did it do ? It took action overnight and then went to the Legislature to get it ratified. That is the only way in which the ratio can be changed in any country ; whatever the constitution may lay down, it is the Government and Government alone that can take action overnight and come before the Legislature and say " that we have taken the responsibility for doing what we thought was in the best interests of this country ; we ask you to ratify it ". But you cannot allow the Legislature to decide what the ratio should be, because speculation would be rampant and the country would be ruined long before you legislate. People would be speculating in every part of the world with your exchange. Therefore, whether it be this Government or whether it be any

[Sir Cowasji Jehangir.]

Swaraj Government in the future, the Government alone will have to take the responsibility of changing the ratio and presenting a *fait accompli* to the Legislature. Therefore, under these circumstances, it is evident that it was never intended that we, as a Legislature, should decide questions of exchange when this Bill was brought up. But it is perfectly in order, as you know, Sir, for me to discuss this question and I think it is a fitting opportunity to remind my Honourable friend opposite of the point of view of India of which perhaps he is well aware. But I do feel that we are safe in the hands of the present Finance Member and that he will give India's opinion every consideration. We cannot expect him at any time to express too definite an opinion, no Government can or dare express too definite an opinion, because speculation will become rampant.

Mr. B. Das : What about the safeguards in the White Paper about the fixity of ratio ?

Sir Cowasji Jehangir : I would only remind the House how sensitive the financial world is. A word or two from the Honourable the Finance Member is enough. Why, the Honourable Member opposite arrived in Bombay and he made a little speech or gave a little interview and Government paper leaped up two points the next day. Why ? Something escaped out of his lips which he never intended and the result was that the Government paper went up, but next day it came down again.

The Honourable Sir George Schuster : I do not think it came back.

Sir Cowasji Jehangir : I am very glad that the remarks of my Honourable friend have led to a couple of points rise in the Government paper, but it came back to the former level. Now, Sir, anything said by the Government Benches is taken up by the financial world in India or in other parts of the world, and people begin to speculate and, therefore, I am not going to ask my Honourable friend to give any definite opinion, but I am going to request him to keep in mind public opinion on this question. Let us hope that even before the Bill comes before this Legislature again, the Honourable Member in charge of the finances of this country will have carefully considered the position. I am not going into details. The position has changed within the last two or three months as the Honourable Member well knows. It is changing every day and it may be that any big change in our ratio may have only a transitory effect. After all, it will have a beneficial effect even if it be for a short time. I will say nothing more about the ratio, Mr. President, as I do feel that although it is not absolutely out of order, it is irrelevant to the subject matter of the Bill.

Now, Sir, there is one important matter which the Committee have not really considered very carefully in England and that is what are to be the terms on which the Imperial Bank is to sever its connection with Government. I am not going into details, as these will have to be thrashed out in the Select Committee. It was deliberately left out of our deliberations in England because, at least, I felt, that India was a much better place to deal with this question than six thousand miles away. Speaking for myself, I do hope that every justice will be done to the Imperial Bank. I can only repeat what has been said so often in

England that we shall see that justice is done to our indigenous banks also and that the Imperial Bank, although I am a shareholder, shall not be a position in which it shall be able to crush all indigenous banks. Its capital is very large. I know the claims that they have put forward in connection with their capital. I am not going into details now. At least I am certain that the Select Committee will give all these points due consideration and I can only express the hope which, I am sure, will be fulfilled that the Select Committee will do justice both to the Imperial Bank and to the indigenous banks.

Mr. President, there are other reasons, as this House knows, why we should get on with this Bill and why a Reserve Bank should be established as soon as possible. There were many experts who told us last year and the year before that it would be impossible to establish a Reserve Bank for financial reasons on which I am not going to dilate. Let us thank those who have made it possible for a Reserve Bank to be established within the near future, and let us also thank all our friends who have helped us to bring this country to a position which is second to none in the world. Those pessimistic prophets who told us that it would be impossible to have a Reserve Bank have not turned out to be quite correct. Let us hope, before long Government will be able to completely prove that those prophets were wrong. I do not want to be too optimistic just now, but Honourable Members will realise that the position has considerably improved as is shown by the figures given by the Finance Member and that we shall not be building castles in the air when we express the hope that this Reserve Bank will begin to function,—shall we say,—before the Finance Member leaves this country or perhaps very soon after.

Mr. Jagan Nath Aggarwal (Jullundur Division : Non-Muhammadan) : Sir, the debate was losing an element of liveliness and interest when the Honourable Members from Bombay intervened and lent to it a certain amount of interest and flavour. We heard from the Leader of the Independent Party that the desire of our Honourable friends on this side for circulation of this Bill was wholly unjustified. He said that after reading the Bill of 1927 which had been discussed at very great length in this House and the Bill of 1928 which proved still-born and the Hilton-Young report all that was worth knowing was known and what was not known was not worth knowing ; and therefore it was wholly unnecessary to indulge in the luxury of a circulation motion. Well, Sir, may I remind my Honourable friend that between 1928 and 1933 the year 1931 intervened ? A good many economic theories and economic maxims have become heresies now.

Sir Cowasji Jehangir : I may point out that you have got the London Committee's report on the 1928 Bill which made certain amendments in the 1928 Bill and that Committee sat only a couple of months ago and the report has been in your hands for some days.

Mr. Jagan Nath Aggarwal : I was not at all forgetful of the great Committee which sat in London and of which my Honourable friend and Mr. Mody were luminaries and were signatories to the report. That fact I was duly conscious of. The point that I was making was that during this period 1928 and 1933 the great year 1931 intervened. A good many economic theories have collapsed and have become heresies and the desire of my Honourable friends who have suggested that this Bill should be

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circulated is by no means a desire merely of a dilatory kind, because as you will notice, the only time that we have asked for circulation is up to December, 1933. If I may be pardoned for mentioning it, this Reserve Bank scheme comes before us as part of the scheme of Federation ; one of the essential preliminaries which must be satisfied before Federation is an accomplished fact in this land is that there must be a Reserve Bank. And if that is so, why should my learned and Honourable friend leading the opposition be in such a desperate hurry when we know from a telegram received today that the report of the Joint Parliamentary Committee will not be out before 1934, the Parliamentary legislation will take another year, and that one great consummation that a requisite number of States have to declare their assent to the instrument of accession to Federation is still a long way off. Why should we be in such a desperate hurry ? I refuse to believe that it is part of dilatory tactics to ask for circulation by December, 1933. Now, Sir, that the Indian public is much exercised in mind over this measure will be apparent to you from one or two considerations. You will notice that my Honourable friend pinned his faith upon the London Committee and the London Committee is supposed to have said the last word on the subject. I refuse to assent to any such proposition. Neither the Anglo-Indian commercial world nor the Indian commercial world thinks that the last word has been pronounced on the subject. My Honourable friend, Mr. Mody, may go into raptures over it ; my Honourable friend, Sir Cowasji Jehangir, may say that the last word has been pronounced on the subject ; but may I remind them that when they were taken to London and were faced with the proposition that this Reserve Bank has got to come as a preliminary to Federation and everything in London seemed as if this was the only stumbling block, would not that have weighed with the members of the Committee ? May I also point out that one Honourable Member of that Committee has appended a note of dissent, that he has given his adhesion to a State Bank rather than a Shareholders' Bank ? In this connection, Sir, I am tempted, with your permission, to read during the few minutes at my disposal the remarks of a paper which just came into my hands, the *Capital* of Calcutta. One cannot accuse this paper of any leaning towards dilatory tactics or of being anxious to cause delay in the consideration of a motion of this character. This is what it says in this connection :

“ Representative British and Indian opinion feels that the implications of the Reserve Bank on the trade and industries of the country would be so great that it is desirable to give the public a full opportunity to examine in detail all the proposals, and to that end it is essential not to rush the Bill through the Assembly during the next month but to circulate it for eliciting public opinion before taking the final step.”

Now, Sir, if that is what comes from the *Capital* of Calcutta, I do not see how my Honourable friend, Sir Cowasji Jehangir, could make light of such a motion. I submit with all respect that the implications of this measure are so great and the effect of it on the trade and industry of the country would be so far-reaching that it is just as well to have light from all quarters that we possibly can have, and this by no means savours of a dilatory motion. My Honourable friend, the Finance Member, was at pains to assure us that even in the Select Committee we will be seeking the help of experts and we would be prepared to consider the evidence of persons who would be called and give evidence before the

Committee. If that is so, I fully share his anxiety but I certainly do not see why some people should make light of the desire on this part of the House for a circulation motion and say that it is nothing but a motion of a dilatory character.

Now, Sir on of the questions that can be examined in the short space of time at my disposal is this controversy relating to the Shareholders' Bank and the State Bank. I do not like to speak as an expert in this matter because I am in these matters a layman ; but I should like to approach this question as a layman, and what has been the policy of the Government of India in matters of this kind ? When the previous Reserve Bank Bill was before this House it was felt that because the Government of India, the Secretary of State and the Finance Department of the Government of India had made mistakes and we had recent experience of huge mistakes having been made, it was felt necessary to have an independent body who should be in control of currency and exchange and who should control the credit of the country, and by that means it was thought that we would bring into existence an independent body who would be able to control the manipulations of exchange and currency and save the credit of the country. They would provide us with an independent body, with an expert body and not be led away by the red tape either of the Finance Department or the interests of foreign capitalists directing the policy from London. That was one of the reasons that was responsible for the introduction of the previous Reserve Bank Bill. Now, there is a suspicion—I call it a suspicion and no more—that the reason why this present Bill is coming up is not that you should have an expert body, but that you should have a body who would be free from the control of the future legislature of India to whom the destinies of this country are in a certain measure to be entrusted. I say it is a suspicion : proof of it is afforded in certain quarters ; it is pointed out that you are going to have a directorate on which in the first instance the Governor General in Council will be making nominations of four Directors and the Governor and the Deputy Governor. That is as it should be : the appointment is to be made by the Governor General in Council : in other words it would mean acting as the head executive in India with the consultation of his advisers. But this report tells us that thereafter the appointments shall be by the Governor General at his discretion. I would like to put it, as one of the previous speakers was at pains to tell us, that if the Finance Minister of the country knew his business and knew what he was about he would have a profound influence on the management of the Bank and on the control of the Bank. I would like to say, does not this savour of an attempt to deprive the future Finance Minister of having anything to do with the policy of this Bank ? That is a point which cannot escape the notice of those who are looking into this measure.

The previous speaker waxed eloquent on the merits of a Shareholders' Bank and the classic example of the Bank of England was put before us. In fact my learned friend went so far as to say that the reason why England was the top dog in finance at this time and has escaped the convulsions of 1931 was because of the existence of the Bank of England. He could as well have said that it was due to the existence of the Cabinet or to the existence of the British Navy or anything of that kind. I put it to him that the real cause why England has escaped is the determined character of the British and the boldness of its Prime Minister. The Prime Minister had no hesitation in breaking up his labour cabinet if they were not prepared

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to go all the way with him : he was bold enough to take the plunge, to take the nation with him and form a national cabinet. When that thing was done, the people thought Mr. Macdonald had written his own epitaph though somebody pointed out it would be a glorious epitaph. To say that it is the Bank of England that has saved the nation may be true in a sense ; but it would be true only in the sense that the Bank of England responded to the call of the Prime Minister. But what is there in the constitution of the Bank of England to say that they should follow the advice of the Prime Minister or that they should keep in touch with the treasury ? In fact the truth leaked out when my learned friend told us that the Bank of England was at loggerheads with the labour ministry. Would it not be fair to say that if the labour ministry had their way and had a large majority they would have nationalised the bank ? What is clear is that the last word has not been said on the subject. It is too early or in fact it is the last chapter in the history of Shareholders' Banks to say that they are the only institutions that can manage the currency and exchange simply because the Bank of England has done it. That is a fortuitous circumstance. It is an accident ; the result of conventions, or one might say, the result of the British character. There are so many things as we know : the Queen can create every one a peer or make every man a marshal ; but they are not done : it is the character of the nation ; and because the Bank of England as a Shareholders' Bank has succeeded, it is no argument to say that a Shareholders' Bank is the only thing in this world. In the few minutes at my disposal I will just examine the proposition from a layman's point of view. This Government of India, according to its previous tendency, has been going in the direction of a socialistic government in certain directions. We own forests ; I mean, the Government owns forests ; it owns mines ; and when it did not own the railways it has raised a good deal of capital and has come to own the railways : in fact it is taking power to acquire railways whenever they are built by private agency. There is a point underlying this policy, the point surely being that all objects of public utility which the State manages or in which the State has direct concern must be run for the benefit of the State also. All profits must go to the State, and in the management thereof national interests must predominate. If that is so, I will put it to you, is this management of currency and exchange and the monetary policy of the country such a trivial matter that we should mix up national policy with the policy of a private directorate ? I do not say it is wholly to be handed over to private directors : there are special redeeming features and the Honourable the Finance Member has taken good care to incorporate various suggestions in deference to the opinions expressed in this House in order to make it fairly broad based, *e.g.*, that you cannot have large accumulation of shares in certain hands, you cannot have large voting power concentrated in the hands of a few, and also the regional scheme of voting going far to make every part of the country interested in the inauguration of the Bank ; but I put it to you that taking it as a broad proposition if the affairs of the country are being managed in this manner, if in matters of supreme importance any concern is to be managed by the State, I put it to you respectfully why is it that we are afraid of having a State Bank ? This is a matter of such urgent importance that it well behoves us to discard old theories and to see if the current thought of the world is not in the direction of organising credit and finance

in various countries in the way of State management. My learned friend who preceded me told the House that there were only two places in the world where they had a State bank. I submit that this proposition is not strictly accurate. He referred to Sweden and Australia. If I may be pardoned for mentioning it, Russia has got a Central Bank which is a State institution and places like Latvia and two or three others are in that position. After the termination of the war, several banks that have been instituted are a mixture of the two schemes, of State Banks and private Shareholders' Banks. Therefore, I submit that it is certainly not a settled proposition as my learned friend took it that all that we can say at this time is that the Shareholders' Bank holds the field according to the theories of economists.

I need not say much in regard to the bank being free from political influence, because that is a topic which can keep one going for some time : the idea of this political influence seems to be to shut out political influence of a certain kind. If the Bank is broad based, all kinds of influence will be brought to bear upon it. But the point underlying this shutting out of political influence seems to be to shut out political influence of Indians as such. If that is so, I do not know whether the safeguard that has been devised by my Honourable friends at the London conference has gone any way to remove that suspicion. I submit that in a matter of this kind one has to be very careful. One has to see that all interests, agricultural and commercial and other, have to be represented and that the Bank really serves the national needs of the country. For that purpose I do not see why so much has been made of this shutting out of political influence. If it means keeping out Members of the Legislature I am happy. I do not grudge the Finance Member the credit for this policy ; if you only keep out Members of the Legislature I do not see much harm in it. But if by keeping out political influence is meant the keeping out of leaders of Indian thought, I certainly would not subscribe to that proposition. I have finished.

MOTION FOR ADJOURNMENT.

ALLEGED SCURRILOUS ARTICLE IN THE *Daily Gazette* re MAHATMA GANDHI.

Mr. B. R. Puri (West Punjab : Non-Muhammadan) : Sir, I move :

“ That the House do now adjourn.”

In order that the House may be in a position to appreciate the nature of the question involved in the present motion I shall
 4 P.M. have to make some introductory observations to put the House in possession of necessary data. The ultimate issue which is involved in this motion, I am sure, the House will find, to be a very simple one. A certain article appeared in an Anglo-Indian daily which is published in Karachi, in its issue of the 18th August last containing most provocative and inflammatory suggestions against Mahatma Gandhi. It appears that this gentleman who is the author of the article is an Anglo-Indian who has taken into his head, and is a great believer in, the efficacy of the flogging system of punishment. On a previous occasion too he recommended to the Government of India that all the civil disobedience offenders should be flogged in order to put an end to that movement.

Mr. A. H. Ghuznavi (Dacca cum Mymensingh : Muhammadan Rural) : Is the article here ?

Mr. B. R. Puri : That article is not here, but the fact was asserted in the question itself, which question I shall presently place before the House. The question referred to is No. 787 which was put by my Honourable friend, Mr. Lalechand Navalrai, and the reply of the Home Secretary relating to this previous article was that the Home Secretary had no information regarding that. Thus the Government are not in a position to challenge or dispute the accuracy of the statement regarding this previous article. The most vital part of the article is contained in a couple of sentences which, with the leave of the House, I shall read :

“ Most people feel that Gandhiji should be well smacked on part of anatomy nature has specifically provided for the purpose.”

According to him, the only use for the buttocks in human body is to be flogged and for no other purpose. Now, mark the next sentence :

“ Unfortunately, he is too old for this type of treatment to prove of any use,— certainly his latest antic smacks of a silly old man entering his second childhood.”

I have omitted the earlier portion of the article although perhaps, in order to show the context, it may be useful, but since the clinching part of the article, the most offensive part of it, is the one I have read, I have confined myself to these two sentences only.

The policy of the Government came out unexpectedly as the result of various interpellations yesterday in a most naked form. And what is that policy ? That policy is a policy of complete indifference, of non-interference with anything which a Local Government may choose to do or omit to do. The Government of India, according to the replies which were vouchsafed yesterday, will not worry however much a Local Government may disregard its duties with regard to certain momentous questions. One thing which has very prominently come out in the answers which were given on behalf of the Government is that the Government refused to bring their mind to bear upon this article. Time and again, effort was made to induce the Home Secretary to consider and let us know whether, in the opinion of the Government of India, they are in a position to approve of this article, or to disapprove of this article, or to condemn this article. But the answer, Sir, which was given, was couched in the following words :

“ The question of the effect produced by an article of this kind is one which can best be judged by the Local Government who have power to take action against any article, that offend against the law.”

We know what the powers and duties of a Local Government are. But the question is, is this a proper discharge of the obligations and duties of a Supreme Government ? That is the true position with which we are confronted. This attitude, I submit, of complete indifference is likely to lead to very mischievous results, and it is on that account that we feel constrained to move today the adjournment motion and to give a warning to the Government that, when dealing with questions of such delicate nature, the attitude of the Government should not be such as was disclosed yesterday in answers to questions. The only thing which the Government of India was prepared to do, to use the words of the Leader of the House, was that the Government of India were prepared to transmit and to despatch the questions and answers which were being put in this House to the Government of Bombay. May I know what is the point of it ? How far will that carry us ? What is the virtue of this procedure which the Government of India are so graciously pleased to follow ?

Asked in another question : " Do you condemn this article ?" " No." Asked : " Do you disapprove of the article ?" The answer was, it was either by the Leader of the House or by the Home Secretary : " The Government refuse to commit itself to any expression of opinion."

The Honourable Sir Joseph Bhore (Leader of the House) : In justice to me, I think my Honourable friend might quote my reply. When Sir Cowasji Jehangir put me a question. I replied to him that if it was suggested that the article was in questionable taste, I would have no hesitation in agreeing with him on that point.

Mr. B. R. Puri : I will quote the very words of his reply. I will presently be able to lay my finger on the particular answer.

The Honourable Sir Joseph Bhore : Does the Honourable Member dispute the correctness of the statement that I have just now made ?

Mr. B. R. Puri : All I say is, it was either the Leader of the House or the Home Secretary who vouchsafed this answer that the Government of India were not going to commit itself to any expression of opinion. I say this, and I repeat it, and I am presently going to show it to the House from the answers that I have got in my hands. If only the House will have a little patience, I will be able to lay my finger on the answer, and I will just ask my Honourable colleague to find it out for me, and in the meanwhile I will go on.

Mr. T. Sloan (Government of India : Nominated Official) : May I say that I also said that I had nothing to say in defence of the article.

Mr. B. R. Puri : That is wholly beside the point. The question before the House is whether it was not deliberately stated on behalf of the Government that the Government of India were not prepared to commit themselves to any expression of opinion and whether this answer is not consistent with the answer which the Home Secretary has already vouchsafed with reference to the last three or four paragraphs of question No. 787.

Major Nawab Ahmad Nawaz Khan (Nominated Non-Official) : May I ask whether this article was written by way of joke or seriously, and how Mr. Gandhi has taken it.

Mr. Lalchand Navalrai (Sind : Non-Muhammadan Rural) : The Anglo-Indian Press never means to cut jokes.

Mr. B. R. Puri : My question was :

" May I know if the Government of India are now disposed, in view of the most flagrantly indecent character of this attack upon a very revered gentleman, to transmit to the Government of Bombay their strong condemnation of the article in question and not merely to be content with despatching the questions and answers."

The reply of the Honourable Sir Joseph Bhore was :

" I cannot engage that the Government of India will commit themselves to any expression of opinion."

I hope that this would satisfy the Honourable the Leader of the House who apparently, in the stress of his duties, had overlooked that he had committed himself in so many words

The Honourable Sir Joseph Bhore : Will the Honourable Member read my reply to Sir Cowasji Jehangir's question ?

Mr. B. R. Puri : That is perfectly immaterial again. I undertake to show you your own answer. This is what you said speaking as a responsible Minister on behalf of the Government. I take my stand on that answer. These were the identical words used by the Honourable the Leader of the House. All that the Government of India are prepared to do is, under the circumstances, to despatch these questions and answers. What would be the advantage in doing that unless the Government of India were to send along with their despatch their own views and opinions as to what they think of this article. Otherwise the mere report of the questions and answers could very well be read by the Bombay Government officials from the daily press. As to the earlier incidents, the C. I. D. Department of the Bombay Government must have known that an article of this nature was published in the *Daily Gazette* as far back as 18th August. They also must have known that, in consequence of the most inflammatory character of that article, public meetings had been actually convened in Karachi, where the article had been very strongly condemned. Can the Government of India seriously maintain that the Government of Bombay are unaware of this incident? Their eyes would only be opened by the Honourable the Leader of the House sending these questions and answers to the Bombay Government. Sir, this sending of questions and answers is the job of a mere post office clerk. Surely that is not the way in which great political obligations are discharged by a supreme Government. Now, Sir, I will show you what the Government are not prepared to do, so that you may be able to appreciate the extent of the apathy and the indifference to which the Government stand committed. In the first place, they say.....

Mr. President (The Honourable Sir Shanmukham Chetty) . The Honourable Member has just two minutes more.

Mr. B. R. Puri : It is not prepared to convey its condemnation of the article to the Bombay Government. The Government will not commit themselves to any expression of opinion. It is not prepared to consult its Law Department to find out whether the case does not fall under section 153A of the Indian Penal Code and also offends the Press laws. In this connection, I would ask the House to consider the suggestion which came out from a nominated Member, the Honourable Mr. Sarma. Mr. Sarma asked : whether the Government were prepared to ask the Editor in a friendly manner to refrain from writing any more articles of a provocative character. The Government were not prepared to do even that much.

Mr. R. S. Sarma (Nominated Non-Official) : I said that the Leader of the House has already said that they are taking action in forwarding these questions and answers for necessary action.

Mr. B. R. Puri : You have as bad a memory as other Members of the Government. Here is your answer. You said :

“ In view of the fact that the Publicity Officer of the Government of India is in direct touch with newspapers all over the country, will the Government be pleased to direct him to draw the attention of the Editor of the *Daily Gazette* to this article and to ask him, if necessary, in a friendly manner, to refrain from writing any more articles of a provocative character ? ”

I hope my Honourable friend stands corrected now.

Mr. R. S. Sarma : I want the reply to that.

Mr. B. R. Puri : The reply is that the Government of India are not prepared to do beyond what they have already stated, namely, that they will despatch these questions and answers.

That is the reply. Time and again, the Government gave the same reply, that they are not prepared to go beyond that. Now, Sir, the enormity of this action is open to very serious question. The hand that rules may be heavy, but we want that its pressure should be even. It would be highly mischievous if the impression got abroad that any Anglo-Indian offender or any European offender, no matter whom he may malign, is above all laws. On the other hand, any Indian, no matter how high his position may be, if he does any corresponding act, will be hauled up under the law and sent to jail. This kind of discriminatory treatment would lead, I am afraid, to violence, the consequences of which should be the aim of all parties in this House to check as far as it lies with us. Before I sit down, I would like your indulgence just for one second. I have got to skip over a good many points which I cannot now take up, but I will just deal for a moment with the point raised by my Honourable friend, Mr. James, yesterday.

Mr. President (The Honourable Sir Shanmukham Chetty) : The rules relating to the time limit on speeches of this kind are absolutely mandatory. Standing Order 24 says : " No speech during the debate shall exceed fifteen minutes in duration ". Owing to the interruptions, the Chair allowed the Honourable Member five minutes more.

Mr. B. R. Puri : I move that this House do now adjourn.

Mr. R. S. Sarma : Mr. President, my Honourable friend, Mr. Puri, is a criminal lawyer of eminence and has already won fame and wealth in his profession, but I must congratulate him really on the success that his forensic eloquence achieved on the floor of this House this morning when he was able to convince a section of this House that the matter he was raising was of urgent public importance.

An Honourable Member : Are you questioning the ruling of the Chair ?

Mr. R. S. Sarma : No ; on the other hand, I am saying that he was able to convince the Chair that the matter was of urgent public importance.

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

I do not think any man will be more embarrassed by the attitude taken, not by the Government, but by those who profess to be his friends than Mahatma Gandhi himself. Sir, whatever we may say about Mahatma Gandhi—many people say that he is not a good diplomatist, nor is he a statesman—he has got one characteristic which everybody has acknowledged, namely, he has got great and good sense of humour which I wish Members sitting on these Benches had possessed. There is a Tamil proverb which says that a husband thrashed his wife and the wife was weeping and, after half an hour, when the husband came back and asked her why she was weeping, she said, she was weeping not because the husband beat her, but because the husband's sister laughed at her. So, here our friends are not concerned as to what the *Daily Gazette* wrote, but what the attitude of the Government was in their replies yesterday. After all, to my mind, as a journalist, however silly the effusion may have been in the

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The commentary on this section says :

“ If a defamatory letter is posted in Madras with a view to its being read in Tinnevely, the offence of defamation is triable either in Madras or in Tinnevely under section 179 or 182.”

Similarly, the editor of an offensive article can be prosecuted at any place where his paper is circulated.

I need not pursue this point further. But I must say that it is certain that the Government of India, under their several functions, could take cognisance of this article and consider it for themselves. Different interpretations are sought to be put on this article and it is the duty of the Government to come forward and consult their own legal officers and come to a definite conclusion. It is up to the Government of India themselves to take action in the matter and not direct the Government of Bombay to enquire into the matter. If this cannot be done, the Government of India can send a peremptory order to the Government of Bombay to enquire into the matter. Apart from the power of superintendence and the power of revision that the Government of India have, they have generally all-India power and, I submit, that according to law, they must take action. The reply that they have given is absolutely unsatisfactory and, by this reply, the Government have shown that they are taking a partial attitude towards the Anglo-Indian press. I am sure, if an Indian paper had done something like this and had attacked a European in this way, I do not know whether the matter will have stood only with the Government of India. Action would have been taken even by the Secretary of State for India. On this point I must say further that the position of Government in the answers that they have given is rather inconsistent. Sir, as my Honourable friend, Mr. Puri, has made it plain that the Government of India have given certain replies in which they say that they have got nothing more to do than to send the papers to the Bombay Government. I submit, that is not a fair position as disclosed in the answers that they have given. I will presently show that, on the interpretation of the article, the Honourable the Joint Secretary of the Home Department has given more or less a definite opinion, and, having given a definite opinion, was it right to say only that the papers would be sent to the Bombay Government? It would mean that they prejudice the case with regard to the article itself and then say that they would send the papers to the Bombay Government. On that point I put a specific question to the Honourable the Leader of the House who happened to intervene on behalf of the Home Department. I put the following question :

“ May I know, Sir, whether the Honourable the Leader of the House agrees with a reply given by the Home Secretary, because it appears to me that he is prejudicing the case by giving his opinion for the consideration of the Local Government ? ”

The reply was very unsatisfactory. Then, having shown the passage in the *Daily Gazette*, I asked the Home Secretary the following question :

“ May I know, with this explanation, of the *Daily Gazette*, whether the Honourable Member would think it necessary to call the attention of the Bombay Government that the answer is only childish and the allegation is admitted, and that action should, therefore, be taken against the *Daily Gazette* ? ”

What was the reply? It will show how the Government of India tried to prejudice the case. The reply was :

“ No, Sir. The Government of India do not propose to call the attention of the Government of Bombay to a reply which explains the obvious meaning of the article.”

Then, Sir, the Government of India more or less agree with the *Daily Gazette* that the obvious explanation is the one given by that paper. So I put another question to the Home Secretary which runs :

“ May I know, therefore, whether Government are accepting this explanation which will not be acceptable even to a child ? ”

The reply was :

“ The explanation given is an obvious one to any one who has a good knowledge of the English language.”

May I say here, without any disrespect to anyone, that this reply has been taken *verbatim* from the explanation of the Editor of the *Daily Gazette* ? With regard to the article, which I brought to the notice of the Government, from the *Daily Gazette*, the reply then given by Government was that the meaning was clear only to those who had a good knowledge of English. I submit that this explanation has been inspired plainly by the explanation given in the *Daily Gazette* and then the Honourable Member came forward and said that those who had a good knowledge of English would only appreciate its meaning. Then, again, I put another pointed question which runs :

“ May I know if the Honourable Member is aware that there have been so many criticisms over this article which has been called childish and whether those who have criticised also do not know the English language well ? ”

The reply was :

“ I have not seen any criticisms, Sir, except the Honourable Member's.”

Where did the Honourable Member read my criticism ? I did not write in any newspaper. When he referred to me, there was, I must say, in some quarters a suspicion that the Honourable Member was referring to my own knowledge of English. But I was quite charitable on this point and took it that he could not have possibly meant that my knowledge of English was defective. To be fair to him on this point, I must say that he made it clear to me yesterday in the lobby that he never meant to say that my knowledge of English was bad. On the other hand, he said to the contrary. Therefore, I have no complaint on that point. So far as the answers are concerned, I must say positively that the Joint Secretary of the Home Department has prejudiced the case if it should go to Court. He said that the explanation was obvious. I still repeat that it is not an explanation which will be acceptable even to a child. Anyway, here it is considered by some to be foolish and such as no responsible paper should publish. Why should a responsible paper like the *Daily Gazette* come forward and make jokes at a man who is so revered and on whose account the whole of India will resent. After this article was published, the *Daily Gazette*, in its issue, dated the 30th August, has pointed out how this matter in fact led to a stir amongst the people of Karachi that they met in the Khalikdino hall and gave expression to their views condemning this article. Further on, it is said in the paper that it was even given out that if such an article had been written in Bengal, they would have seen how to meet with the writer.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The Honourable Member has got one minute more.

Mr. Lalchand Navarai : What I am submitting with regard to this article is that it is really inflammatory, I may almost call it libellous. Coming then, to the third question, the attitude of Government, I have,

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while giving my arguments on the other two questions, referred to that also. Sir, Government have not taken this attitude on this occasion only. We talk often of the Government of India's powers of superintendence and control. For instance, when we talk of the Railway Department, we are told that the questions are being sent to the Agent; when we talk of the Government of India, we are told that the question is being sent to the Provincial Governments to be dealt with. Is this an attitude which the House will accept? Those days are gone when the House was more or less helpless on this side at least, but now the days are different.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The Honourable Member's time is up.

Mr. Lalchand Navalrai : I was saying that we are now more wide awake, and I support this motion.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : Sir, I support the motion of my Honourable friend, Mr. Puri. I do not like to discuss the newspaper article in question in detail, because I know every sensible man will treat with contempt such inelegant and indecent articles and appraise the worth of the author. But what I regret is the attitude of Government. Personally, I think that had the Honourable the Home Member been present yesterday, we would not have been compelled to drag the discussion to this extent. I know the Leader of the House wanted to mitigate the situation by saying that he would refer the questions and answers to the Bombay Government. I wish he had been bold enough to say that the Government of India did not approve of such articles and that they did not think that these ugly sentiments should have been indulged in.

The Honourable Sir Joseph Bhore : I did say that. I said that I entirely agreed with Sir Cowasji Jehangir that it was in very questionable taste indeed.

Mr. S. C. Mitra : The Joint Secretary of the Home Department perhaps, being new to this House, did not gauge the depth of feeling amongst the Indians that such scurrilous remarks were made against one of their greatest leaders. There is no doubt a general impression in the country that Anglo-Indian papers are immune from all the sections of the Penal Code. We have tried, times without number, to bring to the notice of the House during the Kashmir disturbances the objectionable nature of the articles from the *Statesman*, which should have been suppressed, and also, on many other occasions, and it is really a very deplorable thing that this impression should be confirmed by such callous attitude of the Government of India in this particular matter. I do not know what is the standard of sense of decorum or decency, prevailing in the western civilised world; but I can tell the Honourable the Home Member and the Government Benches that we, oriental people, may be very backward in everything else, but, according to our sense of honour and decency, such inelegant and indecent expressions from educated men is never tolerated in any decent society. I do not know the ideas of humour of my friend, Mr. Sarma, but I think he will agree that this sort of writing is neither humorous nor will be accepted as witty by any civilised people: if he thinks over it closely and not be anxious to support Government in every

way whenever there is an occasion, he will be ashamed to support such a conduct.

I think Government most certainly realise that Mahatma Gandhi's name is one to be conjured with throughout the length and breadth of India, and, no man, particularly an Englishman, with a decent education, and the editor of a newspaper should indulge in this sort of writing. If they do so, they will only be widening the great gulf of difference between the two races, and certainly it was the duty of the Government of Bombay at least to warn such persons to be more careful. What we desired was that the Government of India, having the power of superintendence, direction and control over the Provincial Governments, should have taken steps, when their attention was drawn to this matter by Mr. Lalchand Navalrai, to draw the attention of the Bombay Government, and that would have consoled the feelings of the Members of this House. I think it was not fair to consider this matter as merely provincial, particularly when the attention of Government was drawn specially to it by my friend, Mr. Lalchand Navalrai. I have my own views as to whether on these small matters the attention of Government should at all be drawn, as it is very insignificant, but once it is brought to the notice of Government, I think it is incumbent on the Government of India to do their best and satisfy public opinion in these matters. With these remarks, I support the motion.

Mr. F. E. James (Madras : European) : Sir, if ever it is my misfortune to get ensnared in the toils of litigation, I shall endeavour to engage Mr. Puri on my behalf as there is no doubt that there is no one who can make a better speech on a hopeless case. I should like, first of all, to say, in regard to the remarks which are quoted from this particular article, that none of us on this side of the House would wish to give the impression that we think they are in any way justifiable. My own personal view is that they are in bad taste, they are foolish and they are petulant ; and when anything is said in a widely circulated press which is either petulant or foolish or in bad taste, and specially when those remarks are addressed to a person who is held in great veneration by the whole of India, then obviously they are very unfortunate and nobody in his normal senses would justify their publication in any responsible journal. But when that is said, I do beg of Members of the House to preserve a sense of proportion in dealing with this matter. Many foolish things are said from time to time almost every day in almost every paper. Honourable Members of Government have, in a paper which is published not very far from here, been caricatured in the most scandalous terms by a very well-known caricaturist. The last caricature I saw was of the Honourable Member for Industries and Labour, and I should certainly think that, from the description of the Honourable Member, he had an extremely good case for complaint, and an extremely good case for intervention by the Government of India. I wonder why he did not ask the Government of India to exercise their powers of superintendence, direction and control over the Local Government. I once more appeal to the House, in view of what I have said and of what I think should be the attitude of every reasonably-minded man, to preserve a sense of proportion in this matter. I would remind the Members of this House of the meaning of this adjournment motion. An adjournment motion is directed against the Government. If it is carried, it means that the Government of the day is censured. On what basis is this motion going to be carried through the House ? As

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far as I could understand the speech of my Honourable friend, Mr. Puri, he had two complaints : the first was that the Government of India, as a Government, were not prepared to express an opinion about these particular words. I put it to my Honourable friend, that we are living in very anxious times : there are many important matters before the House : we have just interrupted a discussion on the Reserve Bank Bill which, according to many Members of the Opposition, is the most important measure yet placed before this House. Therefore, the Government of India's time is fully occupied. Does my Honourable friend really suggest that the Government of India should, as a Government, seriously consider these particular words or any similar words made in any publication in India and come to a considered and careful opinion as to whether they are or are not proper ? I do suggest that my Honourable friend's sense of humour and sense of proportion have deserted him on this occasion.

I gather that the second ground for the adjournment motion is that if the Government of India did not express an official opinion, at least they should exercise their great powers of superintendence, direction and control over the Bombay Government so that that Government should take action in regard to this article. Now, those of us who have been in close touch with Provincial Governments, and who have served on Provincial Legislatures well know that the provinces are very jealous of the exercise of these great powers by the Government of India, and resent any interference very much. Therefore, it is not unnatural that the Government of India should not, as a rule, use these powers in respect of Local Governments unless there is some very grave emergency, unless there is some very compelling circumstance which will make the use of those powers justified. I would ask Honourable Members in this House frankly to face the issue and answer the question—are the circumstances so compelling as to make it justifiable for the Government of India to use these powers ? Is the emergency so grave ? This article was published, I believe, some time in August. I understand one meeting of protest has been held in Karachi. I have not heard of other meetings : I have not heard of any breach of the peace in Karachi itself. I quite admit that articles of this kind are foolish and they do breed ill feeling between one community and another ; but, at the same time, let us preserve a sense of proportion in these matters and realise that there is no justification whatsoever for the exercise of these great and extraordinary powers of direction, superintendence and control by the Government of India.....

Rao Bahadur B. L. Patil (Bombay Southern Division : Non-Muhamadan Rural) : May I ask whether the Honourable Member knows that superintendence, apart from the law of the country itself, gives such a power to the Governor General in Council to prosecute such persons ? If he knows that, I have no more to say.

Mr. F. E. James : I did not hear my Honourable friend, but, in any case, it is immaterial. I understood from the Commerce Member, as from the Joint Secretary to the Home Department, who, on this his first appearance, has had to answer questions and has been placed in a ~~very difficult position~~ (which, I am sure, Members of this House will

realise)—I understood that they were prepared to send the proceedings of this House at question time to the Bombay Government. I consider that that is a very sympathetic step for the Government of India to have agreed to take ; and I do suggest that if Honourable Members of this House, in view of all the circumstances, in view of the important business which is before the House, in view of the foolishness of the words which are complained of, in view of all these things, I do suggest that Members of this House should be content with what the Government have agreed to do and should throw out the motion for adjournment which is in effect a motion of censure. The real question which we shall have shortly to face is this : on this issue, are Members genuinely and honestly prepared to censure the Government of India ? If they are and if the censure motion is really carried against the Government of India, then I am not at all sure that the Governor General will not be justified in ordering a speedy dissolution of this Assembly so that fresh elections can be held !

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : We Chetty) resumed the Chair.]

Sir Cowasji Jehangir (Bombay City : Non-Muhammadan Urban) : Mr. President, I am afraid, this is a most unfortunate debate, because it is founded, I am sure, on a misunderstanding. I cannot, for one moment, believe that any Member of this House, whether he be on the Government Benches or on these Benches here or on those Benches further down, would for one minute try to justify such a leader in a responsible newspaper—and I believe it is a responsible newspaper—at least I have never heard of it before—talking of a man, with whom we may disagree, with whose methods we may disagree, but about whom there can be no two opinions that he is a man of international reputation, a man admired by millions in this country. To talk about a man like that, especially of a man of his years—he is 65—about spanking him in a leader, not even in a note, is really the most absurd thing I have ever heard of ; and I do not think that any of those replies that came from the opposite Benches tried to justify the remarks made in that leader. But my Honourable friends opposite, perhaps in the absence of the Honourable the Home Member, who, however strong his replies may be, however clear they may be and however much he may disagree with us, has always got such a pleasant smile on his face and who tells us exactly what he thinks and what he is going to do, were at a disadvantage.

Now, Sir, notwithstanding the very able assistance given by my

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Honourable friend, the Leader of the House, to a new Member on the Government Benches, I do believe that a misunderstanding did take place, and I can realise how this misunderstanding did take place. My Honourable friend, I believe he is the Joint Secretary in the Home Department, is here for the first time, and although he was answering questions, it was a maiden effort for all I know. I do not know whether he has addressed the House before, it was a maiden speech, and in attempting to give answers perhaps he was not quite what the Home Member might have

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been. Perhaps he fully realises from this incident that it is not so easy for Government Members to give replies as he imagined. It is a difficult thing ; it is an art that has to be acquired, and my Honourable friend, the Home Member, and my Honourable friend, the Leader of the House, have acquired the art really to perfection, and it will be many years perhaps before my Honourable friend, the Joint Secretary, will acquire the art in the same manner as my two Honourable friends who sit on the front Benches. But that misunderstanding need not lead to a vote with regard to the adjournment motion.

The real point is this, and it is a constitutional point. Have the Government of India supervision, direction and control over Provincial Governments ? They have today ; they may not have two or three years hence. And we have got to consider the constitutional position as it stands today. My Honourable friend, Mr. James, who now sits so far away that I can hardly hear—I believe he was talking about the sensitiveness of Local Governments about the interference from the Central Government. I was just as sensitive in days gone by, but the fact remains that the Central Government are responsible. They are responsible to this House in a way, not completely, but in a way ; at least they are responsible to the extent that they have to answer our questions. I do not think that the Treasury Benches opposite can on certain occasions take the responsibility of certain actions of the Local Governments, and, on other occasions, say : “ We shall have nothing to do with the Local Government, it is their business, and we will allow them to do what they like ”. This is inconsistent. I can understand their saying : “ We shall not go on enquiring every day about certain matters from the Local Government, we are not going to bother them ”. But when a question is asked of them : “ What about this article in the papers ? ”, the only answer that Government can give is that they will consider the matter, that they will refer it to the Local Government, that they will get the views of the Local Government, but that they will give it their consideration. I cannot see, under the present Constitution, how they can refuse this side of the House consideration of any matter that they may bring to their attention. They may reject it, but consideration of the matter they must give. But, unfortunately, and that is where the misunderstanding took place,—unfortunately, the reply led us to believe that Government refused to give the matter consideration although half a dozen Members on this side of the House demanded that Government must give consideration to this matter. That is where the constitutional position comes in. I think that this side of the House can, under the present constitution, demand that the Government must consider the matter. The consideration of the matter may consist of the Home Member glancing through the article and saying : “ Gentlemen, I do not think this requires any further consideration ”. That means he has already given it consideration and he has come to the conclusion that he cannot give it any further consideration. But to tell us : “ We will refer it to the Local Government, and we will not interfere with the Local Government whatever they may do ”—that is not the constitutional position and cannot be the constitutional position of the Government of India. If that were the constitutional position, then Local Governments could turn round and tell the Honourable Members opposite that they would do whatever they liked with Mr. Gandhi and that the Government of India could please themselves. That is not the constitu-

tional position. When we ask questions about Mr. Gandhi, the Honourable Member takes full responsibility for actions taken and says : " These are our actions ". That may have been the result of consultation with the Local Government ; it may be that the Local Government disagreed with them and they had to submit to the Government of India ; but they do not tell us that. We have nothing to do with what the Central Government do with the Local Government, or what weight they give to the opinion of the Local Government. We are not concerned with that. What we are concerned with is, what do the Government of India think about a matter over which they have superintendence, direction and control. It is our constitutional right that we shall get an answer. That is the question and, I feel certain, that there was a misunderstanding. I have never seen any Government yet, Local or Central, who will shirk their responsibility in that way, and I have not the slightest doubt that Honourable Members opposite do not want to shirk any responsibility. But, as I say, the answers were unfortunate and it became all the more unfortunate, because it was connected with an article which will give offence to millions in this country. Honourable Members opposite may not agree with me, but it is a fact that this article will give the greatest offence, will hurt the feelings of millions in this country. We may disagree with Mr. Gandhi, and no one has disagreed with Mr. Gandhi more than I have, openly and privately. No one perhaps has told Mr. Gandhi his mind more clearly, and no one has been less afraid to say what he thinks publicly. But Mr. Gandhi is a great man, and if articles of this stupid character are written and if they are resented by millions of people in this country, although they may not fall within the four corners of the law, we do demand that the Government of India shall be responsible to us and shall tell us that they have considered this matter, that it falls or does not fall within the four corners of the law and that they do not desire to take any further action in the matter, or they cannot or they will not. Some sort of reply we must get from the Government of India, and we cannot be told that the matter has been referred to the Local Government who will do what they choose and we shall not get a reply. That is the position and that is all that the trouble is about.

Now, Mr. President, I do think that the matter can be solved in five minutes. The constitutional position has only to be placed before the House by the Home Member and the thing is over. I do feel that the Government of India cannot and will not take up the position that they refuse under any circumstances, with or without consultation with the Local Government, to say what they propose to do with regard to an article like that. I do not think they can take up that position, and, I am sure, no Government can take up that constitutional position so long as the present Constitution lasts.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member's time is up.

Sir Cowasji Jehangir : In two minutes more I shall finish. I do not think anybody would like to be told in a leading article " You ought to be spanked ", and if the same was written of any of us, or any of those gentlemen opposite, I do not think we would be very pleased. And if this is encouraged, tomorrow you will get leaders saying : " I should be spanked. my Honourable friend, the Leader of the House, my Honourable

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friend, the Home Member, every one of us should be spanked", and, then, my Honourable friends will have to grin and bear it if they express no resentment now at such stupid and vindictive articles. I trust that this misunderstanding will be removed within the first two or three minutes of the speech of my Honourable friend, the Home Member. (Applause.)

The Honourable Sir Harry Haig (Home Member) : I must, in the first place, express my regret that I was not in the House yesterday at question time, but I was engaged on work which I considered to be of great importance and I did not expect for a moment that any storm would develop in consequence of this question, and, I am afraid, even if I had known that the storm was going to develop, I should still have felt that the work on which I was engaged was more important than the work of answering this question. Now, Sir, I am very grateful to the Honourable Members opposite who have paid me the compliment of suggesting that anything that I might have said yesterday might possibly have avoided some of the trouble, but I must confess, after reading the questions and answers, I feel that in a way I am very glad that I was not in the House yesterday. I am perfectly certain that I should not have been able to deal with the situation any more effectively than my friend, who sits behind me, and my friend, the Honourable the Leader of the House. They were subjected, Sir, to a very intense bombardment and I think the position they developed before the House was a perfectly reasonable one.

Now, Sir, with reference to what fell from my Honourable friend, Mr. Mitra, and my Honourable friend, Sir Cowasji Jehangir, about the nature of the article, let there be no misunderstanding about that, and, I do not think, if the answers of my Honourable friends are regarded with some fairness, that there could be any misunderstanding. One knows that the tendency of modern journalism all over the world is in the effort to be bright, too often to pass the bounds of good or even reasonable taste, and occasionally I fear, I do not want to insult any of my journalist friends and there are very many honourable exceptions, to lapse into vulgarity. Well, Sir, I think this was one of those cases, and when such lapses occur, they must certainly be deplored. But, Sir, the point of attack on the Government is not the nature of this article, for which the Government are not responsible, but the attitude of the Government in regard to the demand put forward yesterday by the House. I must say, I am very much surprised that we should be asked to take an attitude different from the attitude that was taken up yesterday. Our general policy in regard to the administration of the reserved Provincial subjects is, I think, pretty well appreciated by the House. We are constantly being pressed by certain Honourable Members, particularly, if I may say so, by my Honourable friend, Mr. Lalchand Navarai, to take an active part in the Provincial administration and that is a tendency which we, in the Home Department, invariably resist. I cannot accept the view put forward by my Honourable friend, Sir Cowasji Jehangir. It is perfectly true that constitutionally the Government of India have the power of superintendence, direction and control in regard to Provincial reserved subjects, but it is perfectly obvious that the administration of this enormous country could not go on if the Government of India were continually interfering in the administration of Provincial subjects.

Sir Cowasji Jehangir : I never said that.

The Honourable Sir Harry Haig : Provincial Governments are, after all, very responsible bodies. They have their Legislative Councils which are very vigilant watchdogs of what they are doing. It is only in the major matters of policy—questions of the treatment of Mr. Gandhi admittedly—questions of that sort—that we have to take an active part. Now, Sir, when these questions arise which we consider fall within the normal administrative powers of a Local Government, so far as I am concerned, I have always refused to take any definite action in the way of interfering with the discretion of a Local Government, and the utmost that we in the Home Department ever care to do is precisely what my Honourable friend, the Leader of the House, agreed to yesterday, and I think it was a very reasonable offer, namely, to communicate the opinions of this House to the Local Government. That is what my Honourable friend, the Leader of the House, agreed to do yesterday and that is precisely what I should have done had I been in my place. It is really a question of the degree of importance that is attached to this article. My Honourable friend, Mr. James, said that he felt there was a certain lack of proportion. I must say the same idea crossed my mind. My Honourable friend, in moving this motion, referred to this as a momentous question. Well, Sir, if I regarded this in any way as a momentous question, I should certainly have referred the matter to the Bombay Government and made some inquiries.

Mr. B. R. Puri : I hope the Honourable Member will pardon me if I interrupt him. I never said that the article itself constituted a momentous question. I said that the momentous question was the indifference of the Government of India.

The Honourable Sir Harry Haig : I am sorry, if I misunderstood the Honourable Member, but even the indifference of the Government of India does not appear to me to be in this case a very momentous question. The point at issue really is whether this is a normal matter of administration. In regard to the control of the Press, our deliberate policy has been for many years to leave these matters to the Local Governments and I would just remind the House that when the Indian Press Act of 1931—I hope my reference to it will not in any way annoy the House—was passed, the powers for dealing with the Press were quite definitely placed in the hands of Local Governments and the intention was that those powers should remain where the Legislature had placed them, and only in very exceptional and unusual cases would the Government of India dream of questioning the discretion of the Local Government. In this particular case, I think, we can safely leave the matter to the Government of Bombay. After all, what was this article? An article published in a paper in Karachi, an article which would probably never have been noticed in this part of the world at any rate, if it had not been disseminated to some extent by a Delhi newspaper, and had not received the tremendous advertisement which has been given to it by my Honourable friend's question and by this motion in the House this evening. I think, Sir, if the House had been content to leave this article in the obscurity which it deserved, it would have been very much better for all concerned, including, if I may venture to say so, Mr. Gandhi. No one wants any insults to be directed against him; no one wants writings of this sort to multiply; but the

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question of taking legal action is quite a different matter. I am certainly not prepared to make any suggestion to the Bombay Government that any kind of legal action should be taken. I do not think, Sir, there is anything more I need say except to make it quite clear that on the general point which is at issue here as to whether the Government are right in the attitude they have taken towards this question, I have not the smallest doubt that the Government are right and I hope that the House will support us in that decision.

Mr. C. S. Ranga Iyer. Sir, before I proceed with my speech, I should like to put one direct question to the Honourable the Home Member and that is this : whether he will be prepared to convey to the Government of Bombay the debate on this adjournment motion along with the questions and supplementary questions which the Honourable the Leader of the House was prepared to convey with a note that great feeling prevailed on this side of the House ?

The Honourable Sir Harry Haig : I am perfectly prepared to convey the proceedings of the House, but I do not propose to comment on them.

Mr. C. S. Ranga Iyer : My purpose will be served, because, after all. I do not attach so much importance to the Home Member's comment as to the feeling actually exhibited on this side of the House. I admit that not only the Editor of the *Daily Gazette* ought to be grateful to Mr. Puri for having given him great advertisement by this adjournment motion, but also the Opposition ought to be grateful to the Home Member for having condemned the editorial comments in unmistakable language, which condemnation it was not possible to secure for this side of the House naturally in a series of supplementary questions, because supplementary questions are not exactly a satisfactory method of getting an adequate condemnation from the Government. As the Honourable the Home Member has himself admitted, even if he were present with all the cleverness of a magician that he possesses, he could not have manipulated the situation better than the Honourable gentleman seated behind him. As the Honourable the Leader of the Independent Party has generously pointed out and I associate myself with those observations in the spirit in which he made them, it was a maiden effort on the part of the Honourable Mr. Sloan. But, situated as he is, backing the Home Department of the Government of India, which is, naturally in these political days of upheaval, the widest target for the Opposition Benches, and the manner in which he answered questions for the Department whose mind he is best entitled to interpret in the absence of his Chief, the Opposition obviously felt that it had no other alternative but to go for him in the manner in which it did. Sir, this House is like a tennis court. One side hits as hard as it can the other. Having watched as I did for several months in England, especially in 1929 and 1927 in the stormy days of the House of Commons, I sympathised with the Home Secretary surrounded as he was by angry waves marching from this side of the House until the Leader of the House, out of sheer sportsmanship and sympathy, himself took charge of the situation. I remember a similar occasion in the House of Commons. The Opposition would not permit the President of the Board of Trade to speak and Mr. Baldwin would not go to

his rescue for a long time. Ultimately he was compelled. Mr. Sloan's was certainly a maiden effort which reminded me of the maiden speech of Lord Birkenhead in the House of Commons. When Lord Birkenhead made a maiden speech and invited trouble, he was most interrupted. Unfortunately, the Honourable the Home Secretary did not make a maiden speech. It was a maiden endeavour to give a series of answers to unmaiden questions or unready-made answers to unpremeditated supplementary questions. Sir, I congratulate him for having hit back the Opposition without the blushes of a maid. (Laughter.)

Now, I am very grateful to the Honourable the Home Member to have said that no one wants insults to be directed against Mahatma Gandhi as the Karachi newspaper directed. Much as I value the liberty of the Press, I hope newspapers in this country will use that liberty in terms of wholesome restraint. As for the actual aspersion itself, it is fortunate to notice that Mahatma Gandhi has not taken notice of it. It is fortunate also to notice that his numerous admirers in Sind, in Bombay and all over the country have treated the wretched fulmination of an unworthy scribe with the contempt with which the fulmination deserved to be treated. I hope, after hearing the Home Member, we will follow the example of the great Mahatma and his loyal followers out in the country, and, instead of voting upon this issue or pressing it to a division, withdraw the motion and proclaim to the country that we propose to treat this indecent effusion of an irresponsible writer with utter contempt. (*Cries of "Hear, hear."*) The Opposition Benches cannot always take notice of unworthy effusions in a corner of India.....

Mr. Lalchand Navaihai : It is not a corner of India ; it is proposed to be a separate province of India.

Mr. C. S. Ranga Iyer : I apologise to my friend. (Laughter.) A separate young province, almost coming into existence, has treated this contemptible effusion with contempt. We will follow Mahatmajī's silent lead which may be summed up in these words :

“ Aspersion is the babblers' trade

To listen is to lend him aid.”

No more shall we listen to this aspersion, but dismiss it with the scorn which it deserves. My friend, Mr. Puri, has no intention to kill a fly with a Nasmith hammer, but only to raise certain issues and especially to get the condemnation of that kind of article in the Anglo-Indian Press, who seem to have a charter as wide as the wind to blow on whom they like. His object was to get the condemnation of the article in question from the Government and that object has been achieved. I do not think, therefore, that he will proceed, with his great sense of humour and responsibility, to kill a fly with a Nasmith hammer. (Applause.)

Several Honourable Members : The question may now be put.

Maulvi Muhammad Shafee Daoodi (Tirhut Division, Muhammadan) . Sir, I rise to say that I agree with the words which the Honourable Sir Cowasji Jehangir just now spoke in connection with this motion. I had thought that we would have some satisfactory reply from the Honourable the Home Member on this point. I do not find that there is any

[Maulvi Muhammad Shafee Daoodi.]

justification for the attitude which the Government have taken now after the appeal which was so eloquently made by Sir Cowasji Jehangir.

As the Honourable the Home Member has himself admitted, the paper had indulged in vulgarity. There is no doubt about it. Everybody here or outside this House, who has read the article, would admit it in the most unequivocal language. But what is the remedy? Does the remedy lie in merely condemning it here and allowing such vulgarities to pervade this country. I feel very strongly that it is provocative language like this which has created bad blood in India between one community and another. It is the language which sets one community against another. I feel that Government would be well advised in taking serious action against the paper which has committed this wrong. I also feel that if this is not done, it might create bad blood in the country which, I think, the Honourable the Home Member will deplore more than I do. It is not a matter which should be dealt with in a light-hearted way as it is suggested. I would strongly advise the Treasury Benches to ponder over this question and find out some means by which the wrong should be redressed and not allow the paper to go scot-free. Otherwise, it might create serious situation. It is not a matter which should be lightly treated. With these words, I support the motion.

Mr. K. C. Neogy : I am sure, Honourable Members on this side of the House are deeply grateful to the Honourable the Home Member for the statement that he has made, namely, that, in the midst of his multifarious duties of a most onerous kind, he has had time to go through the answers that were given in this House yesterday on this subject. But, I am sure, he has not had time sufficiently at his disposal to go through the questions carefully, because, if he had done so, he would have found that his statement that he agrees with those answers has practically cast a kind of doubt upon the character of the knowledge of English possessed by his colleague, the Leader of the House; because Sir, the Honourable the Joint Secretary of the Home Department, in one of his replies, stated—I am giving the substance of his reply—that this article would not convey any very serious meaning to anybody who had a good knowledge of English. And it was after that that the Honourable the Leader of the House got up and expressed himself in the manner that he did stating that this was a scurrilous kind of article and that he was going to take the responsibility on behalf of Government, of sending down the questions and the answers to the Bombay Government.

Mr. T. Sloan : May I, in defence of myself, explain that when I answered the question to which Mr. Neogy has referred, I was dealing with the interpretation placed upon the original article, namely, that it meant that the judicial punishment of flogging should be used. It was with reference to that, I explained that the article could not bear that interpretation.

Mr. K. C. Neogy : I am very glad to hear that my Honourable friend is not in disagreement with the Leader of the House, but this is what he said :

“The Government of India do not propose to call the attention of the Government of Bombay to a reply which explains the obvious meaning of the article.”

He thought that it was a satisfactory explanation which the Editor of the *Daily Gazette* had given in a subsequent issue and nothing need be

done. That, seemed to be his attitude. However, Sir, addressing myself to the constitutional issue that has been raised in this House, I am again very much doubtful as to whether the Honourable the Home Member has gone carefully through the answers that were given in the House yesterday, because if he had done so, he would have found that there was a question put to the Joint Secretary of the Home Department as to whether any action was contemplated against the *National Call* which is published in Delhi and which admittedly gave the widest publicity to this particular article. The Honourable the Joint Secretary stated :

“ Whether the *Daily Gazette* of Karachi reaches Delhi or not, I cannot say, but the article was substantially reproduced in the *National Call* which, I understand ”,

—well, Sir, as the representative of the Home Department, he is under some doubt about it,—

“ which I understand is published in Delhi ”.

The next question from me was :

“ Was any action contemplated against the *National Call* by the Government of India ? ”

The answer was :

“ No, Sir.”

Now, Sir, as regards this particular point, I am addressing the Local Government for the Delhi Province today in this House which is the Local Legislature for the Delhi Province. I want to know from the Honourable the Home Member as to whether it is not quite incumbent upon the Government of the Delhi Province, for which he is himself directly responsible, to take the necessary legal action in matters of this kind. What did we find ? The Government said that they had not taken care to obtain even legal opinion in the matter although the Joint Secretary of the Home Department stated that this had been published in a paper which has got a wide circulation in the Delhi Province.

The Honourable Sir Harry Haig : The Honourable Member seems to be under some misapprehension as to the relations between the Government of India and the Chief Commissioner of Delhi. We do not directly administer the Province of Delhi, the primary administration is carried on by the Chief Commissioner. I admit, Sir, that we answer questions in this House and keep a much closer watch on the affairs of the Delhi Province than we do on those provinces which have their own Legislatures ; but with regard to the *National Call*, I do not understand why we should take any action. Our general position is that we do not attach any particular importance to this article and it is entirely in accordance with that that we do not consider it necessary to initiate any action with regard to the *National Call*.

Mr. K. C. Neogy : The Honourable the Home Member has not obliged this House with an explanation as to the nature of relation that subsists between the Government of India and the Delhi Province beyond stating that the Chief Commissioner is primarily responsible. But I want the Honourable Member to tell this House as to whether the administration of Delhi is on the same constitutional footing as the Government of any provincial administration in India.

The Honourable Sir Harry Haig : I have just explained to the House and I do not want to weary the House by saying it again that that is not so.

Mr. K. C. Neogy : I take it that it is not merely courtesy that prompts my Honourable friend to answer questions that are put by Honourable Members on this side of the House regarding the administration of Delhi. There is something constitutional about it which gives this House the right to discuss affairs of the Delhi Province.

The Honourable Sir Harry Haig : I have just explained that the reason is that the Delhi Province has no Legislature of its own.

Mr. K. C. Neogy : Therefore, I say, this is the Local Legislature for the Delhi Province, and, I take it, the Government of India is the Local Government of the Delhi Province, the only Government which we can address in regard to matters concerning the Delhi Province and the only Government which is responsible for replying to our questions and our criticisms in regard to the Delhi Province. Now, Sir, the Delhi Province is described as a centrally administered area and my Honourable friend would perhaps care to explain what that means. However, Sir, that is rather a minor point. I am very much interested to hear from my Honourable friend that the reason why the Government of India did not think of taking any legal action or even taking any legal opinion, let alone any legal action, was that they did not attach any weight to this article. Now, Sir, it is a very serious question. We, I claim, are the people who can say what effect such an article is likely to produce upon the Indian people, and not the Government of India, not even the Home Member.

The Honourable Sir Harry Haig : Then, I hope, Sir, the Honourable Member will agree to put this matter to the vote of the House.

Mr. K. C. Neogy : The Honourable Member's strength in making that statement lies in the knowledge of the extent to which his Government has succeeded in demoralising this House.

Now, Sir, I turn to another gentleman who spoke of this constitutional issue. My Honourable friend, Mr. James, from Madras, thinks that this is such a trivial matter or perhaps that this is so peculiarly a provincial matter that we are not justified in bringing this up for discussion in this House. May I remind....

Mr. F. E. James : I did not say anything of the kind. I merely said that I thought there was no justification for the exercise by the Government of India of their power of superintendence, direction and control. This is a very different thing.

Mr. K. C. Neogy : My Honourable friend referred to the sensitiveness of the Provincial Governments, and, I take it, his point was that that sensitiveness would be hurt if this Legislature were to say anything with regard to the indifference of the Bombay Government in this matter. Sir, may I remind my Honourable friend that it was exactly a year ago that he was responsible for moving an adjournment of this House and that was for drawing attention to the attempted assassination of the Editor of the *Statesman* in Calcutta?

Mr. F. E. James : May I again rise to interrupt my Honourable friend? I am sorry to interrupt him, but that adjournment motion was moved by my Honourable friend, Mr. George Morgan, with reference to an attack on the life of Sir Alfred Watson following on a dastardly outrage at Chittagong where several people lost their lives. I suggest to my Honourable friend, as he has raised this question, that looking at the two

things from their proper standpoint and perspective, there is a great deal of difference between the one and the other.

Mr. K. C. Neogy : My Honourable friend will at once see my point if he will permit me to proceed, I am glad to be corrected that it was not he who moved the motion, but that it was my Honourable friend from Bengal. But he spoke in support of that motion as far as I remember.

Now, Sir, my point is this. Supposing, as a result of this provocation, a similarly dastardly outrage,—God forbid,—were to happen and a hot-headed youth were to take similar action in Karachi, my Honourable friend would be the first to move this House by way of an adjournment motion. That certainly would be in order according to my Honourable friend and his friends sitting on those Benches. What we are doing is to try and seek the aid of Government to prevent such a contingency arising ; we are anxious to prevent bad blood being created. There is enough of it already and more bad blood....

Mr. F. E. James : I am sorry to interrupt my Honourable friend, but may I ask him a direct question ? Why did he not make that attempt two years ago ? It might have prevented many of the outrages happening in Bengal ?

Why did not my friend take the same attitude with regard to the Press in Bengal as he is now taking with regard to a stupid article in a very small paper ?

Mr. K. C. Neogy : Why did not my friend himself suggest action to be taken against the *Statesman* for inciting a reign of Black and Tan in Bengal which directly led to certain outrages on Indians in Chittagong ? My Honourable friend should, before he gets up to interrupt me, examine the strength of his own case.

Now, Sir, as I was saying, our attempt is to prevent bad blood being increased between the two communities and we want the assistance of Government in this matter, so that, by any effective action taken in cases of this character, they may demonstrate to the country that they were not sleeping over such matters merely because they relate to the Anglo-Indian Press and not to the Indian Press. Sir, I do hope the object of this adjournment motion will not be misunderstood on the other side. What we say is that Government should take the necessary action in this matter after consulting their legal advisers so that more bad blood may not be created and outrages may be prevented of the character that took place unfortunately in Calcutta only a year ago.

Mr. F. E. James : You are a bit late in the day.

Mr. K. C. Neogy : Sir, I do not think I need deal with any other point referred to by the Honourable the Home Member. After more or less half-heartedly condemning the article, he said that the question of taking legal action was a quite different matter. I should like the Honourable Member to get up and say as to why it is quite a different matter. Why is mere half-hearted condemnation considered by Government to be sufficient in this matter, and why is not legal action contemplated ? Why should not legal action be taken, for instance, against the newspaper which is published in Delhi and which gave the widest publicity to this scurrilous article ?

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammadan) : Sir, I am very sorry to say that now-a-days the attitude of Government is very unsatisfactory and condemnable. What we find now-a-days in replies to our questions is that the Government Members do not show us even the courtesy of reading the articles referred to in our questions. Even when letters referred to in our questions are with their subordinates, they do not take the trouble of reading them. What happens is that the Railway Department acts like Sir Thomas Ryan's Department, *i.e.*, the Postal Department and my Honourable friend, Mr. Rau, says that he will send the question to the Agent and then he writes to the Agent that there is no need of any reply from him and he may take any action he likes. Then there is the Education, Health and Lands Department which does not want to do the duties of the Postal Department and does not take even the trouble to send these questions to the Local Governments. The Honourable the Finance Member and the Army Secretary are in reserved compartments, while the Political Department is a secret society. In the Home Department, Sir, there is perfect home rule. This is the attitude of Government now-a-days. I want to warn Government that this is the attitude which is responsible for all these terrorist activities (Applause) in the country as proved by what happened a year or two ago in Calcutta. Then an attempt was made on the life of an editor. This attitude works in the minds of the young men, but this side has always condemned these ideas. But when it is a case of Anglo-Indian papers, Government do not want to take any action against them.

I want to ask them, what is the harm if you bring a case against the Anglo-Indian papers ? They will be punished with a fine of Rs. 500 or Rs. 1,000. You can repay them those thousand rupees by way of advertisements. (Laughter.) You are always giving those advertisements to those papers and, so, what is the harm ? You will get something from them from one pocket and put it back in another in another way. (Hear, hear.) What is the harm in bringing cases against these papers ?

Mr. D. K. Lahiri Chaudhury (Bengal : Landholders) : That is a nice way of balancing the budget.

Mr. M. Maswood Ahmad : That is a homely affair of the Home Department.

This is an all-India question. I have great respect for Mahatmaji. I put a question yesterday to my Honourable friend, sitting just behind the Home Member, and it was "I want to know whether Government are aware that these articles have injured the feelings of people who live in the area administered by the Central Government". It was a very simple question ; and what was the reply to it ? It should merely have been that the Government are aware that those feelings had been injured. But, no. The same attitude, which the Government took in replying to Mahatmaji, in reply to his telegram—no—was shown : the Joint Secretary said : "The Government are not aware of the feelings of all the people who have read this article." It is quite strange that, after so many supplementary questions, which were put here, they should say that they were not aware of this fact. When he was asked by Sir Cowasji Jehangir whether the Government were now prepared to consider this question, what was the harm in saying : "Yes ; Government are prepared now, after seeing the feelings of the House, to consult the Law Member." But, no. Government do not propose even to consult the Law Member. Certainly this is

an attitude of the Government which we should all censure. We cannot encourage this sort of reply. Sir, had this article been issued only in those areas, which were under Local Governments, they would have been right in saying that they were sending this article and these questions and answers to the Local Governments. But that is not the case. That article was published in Delhi as well and the attention of the Government was drawn to this fact as well. When this article had been published in areas administered by the Central Government and there is no Council there, the people of those areas cannot bring those facts to the notice of the Home Member ; and so we brought this matter to his notice ; but even then the Government did not propose to take any action. I ask Government, if they are not even prepared to show this much courtesy that such articles, which injure the feelings of thousands and millions in India, and which may endanger the peace of the country, should be placed before the Court ; are they not prepared to place it even before the Law Member and to consult him ? The reply is that they are not prepared to do anything. They always say : " Trust us ; we will do everything ". Take the case of the Reserve Bank Bill. They say " Trust us ", " We are doing this, that and the other ". But mere promises cannot do anything. When I see their practice, how they work these things, I find that everything is quite different. They do not even care for our feelings.

Sir, certainly I hope my Honourable friend will remember the words expressed by Lord Irwin and by other great men of Great Britain about Mahatmaji. With all the differences with Mahatmaji, I do not hesitate in saying that he is a great man ; he is respected not only by Hindus, he is respected by all in India. He is not respected by Indians only : rather the world respects him. He is an old man. He is a religious man. When for such articles written against such a man the Government are not prepared to take any action, their case is indefensible. Certainly this attitude of the Government is shameful and condemnable. (Applause.)

Apart from the attitude of the Government, I will ask my friend that so far as the attitude of my Honourable friend, the Joint Secretary, is concerned, we must consider that after all he was a new man here and he had opened his lips, as far as I remember, for the first time in this Assembly ; and, so anything which would have been said loosely by him, we should not take it very seriously. (Laughter.) But so far as the attitude of Government is concerned, certainly the attitude of Government is condemnable. Today also I found a speech from my Honourable friend, Mr. Sarma. He is the habitual supporter of the Government (Laughter), and so we should not take any notice of him. (Laughter.) There are men amongst us as well who sit on the opposite side and who have voted against the question of the mosque in Delhi. The mosque was called the Kucha Rahman Mosque. As those Members who are Nominated Members, we should not take them seriously. (Laughter.) After all, we represent here our constituencies and they represent their constituencies. (Loud Laughter.) They also have got, after all, a constituency which nominate them. Certainly it is their duty to satisfy their constituency. If I do not satisfy my constituency, certainly when I go out, they will come down upon me and say : " You did not represent us well ". The same is the case with Mr. Sarma : if he had not made this speech, the Department which has nominated him can ask him : " Why did you not support us when we have nominated you ? " (Loud Laughter.)

[Mr. M. Maswood Ahmad.]

Just now, I heard my Honourable friend, the Home Member, say that votes should be taken on this subject. For the first time in the tenure of his office, I am sorry to see that he has lost his temper. I have never before seen him losing it. He always gives replies, some time laughing and some time with a smiling face. He always attempts to satisfy the House ; but I am surprised to see what forced him to stand and say : “ Very well, come and decide this question by vote ”. (Laughter.).....

The Honourable Sir Harry Haig : Why are we debating ? What is the object of our debate ?

Mr. M. Maswood Ahmad : It means that my Honourable friend also wanted to satisfy his constituency. (Laughter.)

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. The House now stands adjourned till Eleven O'clock tomorrow.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 13th September, 1933.

LEGISLATIVE ASSEMBLY.

Wednesday, 13th September, 1933.

The Assembly met in the Assembly Chamber at Eleven of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

QUESTIONS AND ANSWERS

MUSLIMS APPOINTED IN THE MUSSOORIE HEAD AND SUB-POST OFFICES IN THE INFERIOR CADRE.

882. **Lieut. Nawab Muhammad Ibrahim Ali Khan** : With reference to the reply to my question No. 7, dated the 22nd August last, will Government be pleased to let the House have the information regarding the number of Muslims appointed in the Mussoorie Head and Sub-Post-Offices in the inferior cadre, during the years 1931, 1932 and 1933, in officiating and permanent vacancies ? If the information be not available as yet, when may it be expected ?

The Honourable Sir Frank Noyce : No permanent appointment was made in the Head Post Office and the Sub-Post Offices at Mussoorie in the inferior cadre, during the years 1931, 1932 and 1933. Nine Muslims were engaged in seasonal appointments during the period, two in 1932 and seven in 1933.

COMMITTEES FORMED IN CONNECTION WITH CONSTITUTIONAL REFORMS.

883. ***Mr. M. Maswood Ahmad** : Will Government be pleased to state the names of the Committees which were formed in connection with the constitutional reforms and in which not a single non-Muslim was appointed and the names of the Committees in which not a single Muslim was appointed ?

The Honourable Sir Joseph Bhore : Since 1930 there have been three Committees to which no representative of the Muslim Community was appointed, namely

- (1) Sind Financial Enquiry Committee (1931).
- (2) Orissa Committee (1931-1932).
- (3) Orissa Committee (1933).

No. (1) was purely an expert official Committee to which no Indian, Muslim or non-Muslim, was appointed.

Mr. M. Maswood Ahmad : What is the reply to the second part of the question, Sir, in which it is stated that not a single non-Muslim was appointed to any of these Committees.

The Honourable Sir Joseph Bhore : The Sind Financial Inquiry Committee, Sir.

Mr. M. Maswood Ahmad : Was that Committee composed of Muslims only ?

The Honourable Sir Joseph Bhoré : Sir, I have just now stated that that was a Committee to which neither Muslims nor non-Muslims (I mean Indians) were appointed. It was a purely official Committee.

Mr. M. Maswood Ahmad : If these officials were neither Muslims nor non-Muslims, then what they were ?

HOURS OF DUTY OF RAILWAY MAIL SERVICE SORTERS.

884. ***Mr. B. N. Misra :** (a) Will Government be pleased to state the weekly hours of duty worked by the Railway Mail Service sorters working (i) in Mail Offices, (ii) in Sections (running trains) during :

(A) day time, (B) combined day and night time and (C) night time ?

(b) Is the attendance of the sorters on the platform or in the mail van before the departure of the train from a railway station counted as duty ?

(c) Is any provision made for the time spent by the sorters in handing over charge to a mail agent or other set at a terminal or changing station ?

(d) Is the time spent by the sorters working in sections at Record Offices in order to prepare the work-papers for the next trip and on other duties counted in their weekly hours of duty ?

(e) If the reply to parts (b) to (d) be in the negative, will Government please state why the time of the sorters which is spent in performing official duties mentioned above is ignored ?

(f) Do Government propose to take these duties into consideration in calculating the duty hours of sorters ?

The Honourable Sir Frank Noyce : (a) Though Government have not definitely fixed the weekly working hours of sorters in the Railway Mail Service Mail offices, the following standards are usually followed as a rough guide in actual practice :

For wholly day work—not exceeding 56 hours.

For wholly night work—not exceeding 42 hours.

For work partly by day and partly by night—varying between 42 and 56 hours.

As regards the weekly working hours of the sorters of Railway Mail Service working in running sections, the Honourable Member's attention is invited to the reply to part (c) of Pandit Satyendra Nath Sen's starred question No. 1211 in this House on the 10th April, 1933.

(b), (c) and (d). No. The weekly working hours referred to in the latter part of the reply to (a) above are exclusively for work done by sorters in the running van.

(e) and (f). The standards laid down for the weekly working hours of sorters in running sections are so liberal that Government do not consider it necessary to make any separate allowance for the duties referred to by the Honourable Member.

INTERNATIONAL POSTAL CONFERENCE TO BE HELD AT CAIRO.

885. ***Mr. B. N. Misra** : (a) Is it a fact that an International Postal Conference will be held shortly at Cairo (Egypt) and that some Postal officers from India will represent Government at that Conference ?

(b) Is it a fact that the proceedings of the Conference will be conducted in the French language and that for that purpose the knowledge of the French language is essential for the Indian delegates who will attend the Conference ?

(c) If the replies to parts (a) and (b) be in the affirmative, will Government be pleased to state the names of the Postal officers selected for the Conference from India, stating whether each and every member of the delegation is fully qualified in the French language to take proper part in the deliberations of the Conference ?

(d) Do Government propose to select suitable officers having knowledge of French and Foreign Postal Work ?

(e) Will Government please state what will be the approximate expenditure on account of the delegation ?

The Honourable Sir Frank Noyce : (a) Yes.

(b) At previous International Postal Conferences the formal proceedings were conducted in French. At the last International Telegraph and Radio Telegraph Conference, however, it was decided that the proceedings should be conducted both in French and English, and it is possible that the same procedure will be followed at the forthcoming Postal Conference also. In any case, much of the discussion in which delegates take part is conducted in English, and an expert knowledge of French can hardly be regarded as essential, though knowledge of that language is very desirable.

(c) and (d). The names of the officers selected are :

- (1) Rai Bahadur P. N. Mukerji, C.B.E., M.A.,
- (2) Rai Bahadur S. C. Gupta, M.A.,
- (3) Mr. Mohamed Al Hasan, B.A.

Rai Bahadur P. N. Mukerji has already attended two previous International Postal Congresses. Rai Bahadur S. C. Gupta has been doing the preliminary work in connection with the forthcoming Congress. Both these officers are familiar with foreign post work and possess a working knowledge of French.

Mr. Mohamed Al Hasan is an experienced postal officer, who, it is believed will also prove a valuable member of the delegation though he has not specialised in foreign post work. He is expected to have a sufficient knowledge of French by the time he attends the Conference.

All three officers are considered quite suitable to represent India at the Congress.

(e) About Rs. 45,600.

Dr. Ziauddin Ahmad : Can we not insist on the Conference to follow the example of the League of Nations, where the speeches are permitted to be made in English or in French, and they are immediately translated. May I, therefore, request the Government to consider this fact ; and

I may further point out that a person who has a little knowledge of French will never be able to acquire sufficient command over French language so as to be able to take part in proceedings and make speeches. It is not an easy matter to understand speeches in French when they are made by Frenchmen and then to reply to those speeches in French ; and it is exceedingly difficult for any Indian to acquire such a thorough knowledge of French, and I would, therefore, request the Honourable Member in charge to consider this fact carefully and to press that the example of the League of Nations should be followed in all these Conferences and the proceedings should be conducted both in English and in French. We should press that this should be made a necessary condition for our participation.

The Honourable Sir Frank Noyce : I am very glad the point has been raised by the Honourable Member, but I would point out to him that this is a Congress of all the nations of the world, and I very much doubt whether a single Government is in a position to influence the authorities concerned as to the way in which the proceedings of the Congress should be conducted.

Dr. Ziauddin Ahmad : But the League of Nations is just in the same position. They represent 57 nations, and the only languages recognised there are French and English. That is a good example and we ought to insist on all Congresses and Conferences to follow the example of the League of Nations.

(No reply.)

DUTIES OF THE HEAD CLERK TO A SUPERINTENDENT OF POST OFFICES.

886. ***Mr. B. N. Misra :** (a) Is the Head Clerk to a Superintendent of Post Offices an investigating officer ?

(b) Is it any part of his duties to conduct enquiries into any case of the Department ?

The Honourable Sir Frank Noyce : (a) and (b). Although the Head Clerk of a Superintendent of Post Offices is not usually regarded as an investigating officer, he may, in certain conditions, be required to make inquiries into departmental cases.

OFFICE BEARERS OF POSTAL UNIONS.

887. ***Mr. B. N. Misra :** (a) Will Government please state whether there are any orders forbidding Postal Officials to become members and office bearers of their Unions ?

(b) Are Government aware of the impression that such office-bearers of Unions are penalized by transfer and other means for their holding such appointments ?

(c) If the replies to parts (a) and (b) above be in the negative, do Government propose to enquire into the case of the transfer of the Secretary, Bahawalpur Posts and Telegraphs Hindu Union (Mr. Dharam Chand) from Bahawalpur to Jampur in the Dera Ghazi Khan District ?

The Honourable Sir Frank Noyce : (a) There are no orders forbidding postal officials to join or become office bearers of any Union, membership of which is not opposed to the Government Servants' Conduct Rules. The

question is however under consideration whether gazetted officers should be allowed to be office bearers in associations composed mainly of subordinate staff.

(b) No.

(c) Government do not propose to make enquiries as the matter is within the competence of the Head of the Postal Circle concerned to whom a copy of the question is being sent.

RESERVATION OF SEATS FOR SOLDIERS IN THE ARMY HEADQUARTERS.

888. ***Mr. Muhammad Azhar Ali** : (a) Will Government please state whether it is a fact that a Home Department circular laid down "that it has now been decided in consultation with the Army Department that 25 per cent. of the clerical staff in the Army and Royal Air Force Headquarters, hitherto reserved for soldiers and ex-soldiers, should in future include lady clerks as well"?

(b) Is it open under that circular for any branch of the Army Headquarters to interpret the circular to mean that the 25 per cent. posts reserved for soldiers and ex-soldiers shall be confined to the upper grade and not spread over the entire clerical staff?

Mr. G. R. F. Tottenham : (a) Yes.

(b) The 25 per cent. applies to Army Headquarters as a whole and not to any particular grade in any particular Branch. In practice however the men are divided between the first and second Divisions.

SOLDIERS HOLDING UPPER DIVISION APPOINTMENTS IN THE ARMY HEADQUARTERS.

889. ***Mr. Muhammad Azhar Ali** : (a) Will Government please lay on the table a statement showing the percentage of soldiers or ex-soldiers holding upper grade appointments in the various branches of the Army Headquarters?

(b) Is it a fact that in the Adjutant General's Branch an Office Order has been issued reserving 25 out of 36 upper grade appointments for soldiers and ex-soldiers? If so, how do Government reconcile this order with their circular that 25 per cent. of the reservation shall be in respect of all clerical appointments?

Mr. G. R. F. Tottenham : (a) A statement is laid on the table.

(b) The reply to the first portion of the question is in the affirmative.

As explained in the answer to the previous question, there is no order laying down the percentage of soldiers, ex-soldiers and lady clerks to be employed in each Branch or grade. They are employed in accordance with the administrative requirements subject to the condition that their number does not exceed 25 per cent. of the total clerical strength of Army and Royal Air Force Headquarters as a whole.

Statement.

Office.	Percentage of upper grade appointments held by soldiers or ex-soldiers.
1	2
G. S. Branch	45.9
A. G.'s Branch	66.6
Q. M. G.'s Branch	24.4
M. G. O. Branch [excluding offices of Director of Contracts and Assistant Director of Ordnance Services (Provision)].	32
M. S. Branch	25
E.-in-C.'s Branch	4.5
Medical Directorate	40
J. A. G.	Nil.
Contracts Directorate	5.9
A. D. O. S. (P.)	41
R. A. F. Headquarters	53

NOTES:—1. The Upper grades in the Office of the A. D. O. S. (Provision) are recruited from arsenals.

2. An ex-soldier holds the only Upper Grade appointment in the Office of the Assistant Military Secretary (Personal), to H. E. the Commander-in-Chief.

UNQUALIFIED PERSONS PROMOTED TO UPPER DIVISION IN THE ARMY HEADQUARTERS.

890. ***Mr. Muhammad Azhar Ali** : (a) Will Government please lay on the table a statement showing the number of unqualified persons promoted to the Upper Division since the Public Service Commission authorised the Departments to make such promotions ?

(b) How many of such promotions were made in respect of soldiers and ex-soldiers and how many in respect of Indian employees ?

The Honourable Sir Harry Haig : The information asked for is being collected and will be laid on the table in due course.

APPLICATIONS RECEIVED FROM ASSESSEES IN SIND FOR TRANSFER OF THEIR ASSESSMENT.

891. ***Mr. Lalchand Navalrai** : Will Government be pleased to lay on the table a statement showing for each of the three years 1930-31, 1931-32 and 1932-33 the number of applications received from assesseees

in Sind for transfer of their assessments under the provisions of section 64 of the Income-tax Act and the number in which transfers were refused ?

The Honourable Sir George Schuster : A statement is laid on the table.

Statement showing the number of applications received from Assessors in Sind for transfer of their Assessments under section 64 and the number in which transfer, were refused during the years 1930-31, 1931-32 and 1932-33.

					No. of applications received from assessors for transfer of assessments under section 64.	No. of applications in which transfer was refused.
1930-31	..	..	..	..	28	Nd.
1931-32	..	..	..	..	31	1
1932-33	..	..	..	..	72	4

AMENDMENT OF SECTION 64 OF THE INDIAN INCOME-TAX ACT.

892. ***Mr. Lalchand Navalrai :** (a) Will Government be pleased to state if they have received any representations for amending section 64 of the Income-tax Act ?

(b) If so, will Government be pleased to state the nature of the representations so far made and the action so far taken or proposed to be taken in response to such representations ?

The Honourable Sir George Schuster : The Government have received one such representation. It suggested that provision should be made that a party concerned should be given a hearing before the Commissioner gives a decision under the section. As in practice an applicant can always have a hearing and as in the case mentioned by the person who made the representation it was clear that he had put his case to the Commissioner before orders were passed, the Government saw no occasion for any action.

INCOME-TAX AND ASSISTANT INCOME-TAX OFFICERS APPOINTED IN BENGAL.

893. ***Pandit Satyendra Nath Sen :** Will Government be pleased to lay on the table a statement showing the total number of Income-tax Officers and Assistant Income-tax Officers appointed since April, 1922, to date in the Income-tax Department of Bengal ?

The Honourable Sir George Schuster : Twelve Income-tax Officers and fifteen Assistant Income-tax Officers have been appointed in the Income-tax Department, Bengal, since April, 1922.

OFFICERS DISCHARGED FOR FAILURE TO PASS DEPARTMENTAL EXAMINATION
IN THE INCOME-TAX DEPARTMENT IN BENGAL.

894. *Pandit Satyendra Nath Sen : (a) Will Government be pleased to lay a statement on the table showing the total number of officers (gazetted) discharged for failure to pass the departmental examination from April, 1922, upto date and the total amount of salary paid to the discharged officers during the tenure of their service, in the Income-tax Department, Bengal ?

(b) Has any officer been confirmed during the said period, though he could not pass completely the departmental examination ?

(c) How many Examiners of Accounts have been confirmed after having passed the Departmental Examination in due course within two years during the said period ?

(d) How many Examiners of Accounts have been confirmed with grace chances after two years and how many have been confirmed, though they could not pass the departmental examination completely, in spite of grace chances having been allowed to them ?

(e) How many Examiners of Accounts have been discharged for failure to pass the departmental examination during the said period ?

The Honourable Sir George Schuster : (a) and (c). About six gazetted officers have been so discharged in the period named but the exact figure cannot be given without going through the records. As for the amounts of salary paid to them while in service, the answer to this, as also to part (c) of this question, is that the compilation of the information asked for would involve an expenditure of time and labour which would be incommensurate with the value of the results secured.

(b) No.

(d) Exact particulars could only be given at the cost of excessive labour, but the number is approximately six.

(e) None.

INCOME-TAX DEPARTMENT IN BENGAL.

895. *Pandit Satyendra Nath Sen : (a) Will Government be pleased to lay on the table a complete list showing the names of officers (gazetted) in the Income-tax Department in Bengal, who died in active service, and their respective age and lengths of service in this Department at the time of their death from April, 1922, till now ?

(b) Will Government be pleased to lay on the table a statement showing the percentage of discharged officers, and the percentage of death rate of officers separately, compared with the total sanctioned strength of Income-tax Officers in Bengal during this period ?

(c) Will Government be pleased to lay on the table a list showing the names and length of service of officers who have recently been retrenched on the ground of economy in the Income-tax Department of Bengal ?

(d) Is it a fact that the very same Government of India letter of June, 1933, which conveyed the sanction for retrenchment of seven officers, also conveyed the sanction for appointment of seven Examiners of Accounts

to replace the seven retrenched officers with a view to curtailment of expenditure ?

(e) Will Government be pleased to lay on the table a detailed statement showing the total amount of annual saving that they have in mind to effect by replacing the seven retrenched officers by seven newly appointed Examiners of Accounts after paying bonus, pension and earned leave pay for the retrenched officers ?

(f) Will Government be pleased to state the estimated additional expenditure that Government have to meet monthly from May, 1933, as a result of the reduction of ten per cent. cut to 5 per cent. in the pay of the whole force of the Income-tax Department of Bengal ?

The Honourable Sir George Schuster : (a) and (c). Two statements are laid on the table.

(b) The number of discharged gazetted officers was seven, (four Income-tax Officers and three Assistant Income-tax Officers). At the time, the sanctioned strength of Income-tax Officers was 35 ; the total number of gazetted officers was 62, out of a sanctioned strength of 66, two posts being vacant and two having been surrendered to correspond with an increase by two in the number of Examiners, in accordance with the programme of gradual absorption adopted in 1927. The total number of deaths of gazetted officers of all grades has already been given and may be compared with the sanctioned strength already given.

(d) Yes.

(e) Exact figures as to bonus, pension and leave pay of the retrenched officers are not yet available, but the approximate figures are—for pension, Rs. 915 monthly and for gratuities, Rs. 18,750. The annual saving in pay on account of replacement of the seven retrenched officers by Examiners of Accounts is Rs. 28,332 on average cost basis.

(f) Rs. 53,000 approximately.

Statement showing the names of officers (gazetted) in the Income-tax Department, Bengal, who died in active service and their respective age and lengths of service in this Department at the time of their death from April, 1922, till now.

Name of deceased officer.	Age years.	Length of service in the Department from 1922 at the time of death.
1. Mr. J. N. Chatterjee	36	2 years and 4 months.
2. „ W. B. Kirkwood	Not known	4 years (approximately).
3. „ S. N. Roy	48	7 „ „
4. „ K. H. Mazumdar	37	7 „ „
5. „ N. Roy	46	6 „ „
6. „ P. L. Adhikari	33	10 „ „
7. „ N. C. Shaha	40	11 „ „

Statement showing the names and length of service of Officers retrenched in the Income-tax Department, Bengal.

1. Mr. R. Ghatak	Income-tax Officer	23 years.
2. Mr. F. C. Chopra	" "	13 "
3. Mr. P. L. Bhattacharji	" "	13 "
4. Mr. S. K. Datta	" "	13 "
5. Mr. Nefazuddin	Assistant Income-tax Officer ..	9 "
6. Mr. Abdul Majid	" "	8 "
7. Mr. B. B. Basu	" "	7 "

SAVING EFFECTED BY THE RETRENCHMENT OF SEVEN OFFICERS IN THE
INCOME-TAX DEPARTMENT, BENGAL.

896. ***Pandit Satyendra Nath Sen** : Will Government be pleased to place on the table a statement showing :

- (i) the total receipts in 1932-33 ;
- (ii) the total expenditure in 1932-33 ;
- (iii) the ratio of expenditure to receipts in 1932-33 ; and
- (iv) the ratio of savings to total expenditure that Government have in mind to effect by the retrenchment of the above-noted seven officers in the Income-tax Department, Bengal?

The Honourable Sir George Schuster : I presume the question refers to the Bengal Income-tax Department. If so, the answers are :

- (i) Rs. 428½ lakhs.
- (ii) Rs. 11½ lakhs.
- (iii) 2.6 per cent.
- (iv) The saving due to the abolition of seven posts of Income-tax Officers referred to in the previous question will be on the average cost basis, 2.5 per cent. of the total expenditure in the Bengal Income-tax Department.

RETRENCHMENT IN THE INCOME-TAX DEPARTMENT, BENGAL.

897. ***Pandit Satyendra Nath Sen** : (a) Is it a fact that the General Purposes Sub-Committee of the Retrenchment Advisory Committee recommended (*vide* page 12 of Part I of the Report) the abolition of the two highly paid posts of Assistant Commissioners of Income-tax in Calcutta ? If so, have they been abolished ? If not, why not ?

(b) Will Government be pleased to state the number of additional Income-tax Officers who have been working or who have worked after confirmation in the Department without any powers like examiners on account of their inefficiency and the period during which they are having no such powers ?

(c) Has any of these additional Income-tax Officers, who have been working or who have worked without powers been retrenched on account of their incompetency and inefficiency ?

The Honourable Sir George Schuster : (a) Yes. The posts have not been abolished. The pay of the posts was reduced to Rs. 1,000—100—1,500 with a special pay of Rs. 250 in 1927, but as the present incumbents were holding the posts before 1927, they are drawing the old scale of Rs. 1,500—100—2,000. The revised scale will be introduced as they retire. It is not part of the Government policy of retrenchment to discharge officers and replace them by officers of the same grade but on lower rates of pay.

(b) No additional Income-tax Officers are working without statutory powers on grounds of inefficiency. Certain officers are working without powers for reasons of departmental convenience.

(c) Does not arise.

RELEASE OF PERSONS DETAINED IN JAILS FOR INDEFINITE PERIODS.

898. ***Shaikh Sadiq Hasan :** Are Government aware that a peaceful atmosphere prevails at present throughout the country, and if so, are they prepared to consider the possibilities of releasing those persons who have been detained in jails for indefinite long periods ?

The Honourable Sir Harry Haig : With regard to the first part of the question I should prefer not to generalise. With regard to the second part, I presume the Honourable Member refers to State Prisoners detained under Regulation III of 1818. Their cases are reviewed from time to time in order to determine whether the orders for detention should continue in force or be modified.

REPRESENTATIONS TO GOVERNMENT OF MR. AZIZ HINDI, A STATE PRISONER.

899. ***Shaikh Sadiq Hasan :** (a) Is it a fact that a State Prisoner has often to wait for a considerable period of three to four months for a reply from Government to his representations ?

(b) Is it a fact that Mr. Aziz Hindi, a State Prisoner, does not often get a reply to his representations made to Government ?

(c) Will Government be pleased to state what avenues are open to a State Prisoner if he feels that he is not being treated fairly and squarely at the hands of the authorities ?

The Honourable Sir Harry Haig : (a) and (b). I am not aware of any avoidable delays in disposing of representations by a State Prisoner, or of any instance in which a reply has not been sent to Mr. Aziz Hindi's representations.

(c) I would draw the Honourable Member's attention to the provisions of section 5 of Regulation III of 1818 from which he will observe that every representation which a State Prisoner may be desirous of making is forwarded to and dealt with by the Governor General in Council.

WELFARE SCHEME ON THE EAST INDIAN AND EASTERN BENGAL RAILWAYS.

900 ***Mr. E. H. M. Bower :** (a) Is it a fact that there are welfare schemes on the East Indian and Eastern Bengal Railways for the benefit of the subordinate staff ?

(b) If the answer to part (a) be in the affirmative, will Government please state whether the staff of the Accounts Department of these Railways participate in the benefits of these welfare schemes ?

(c) If the reply to part (b) be in the negative, will Government please state what provisions there are for the staff of the Accounts Department to receive welfare relief in accordance with the policy operating on those Railways ?

Mr. P. R. Rau : I presume the Honourable Member is referring to the Staff Benefit Fund. If so, the reply to part (a) is in the affirmative. As regards part (b), I am not aware of any rule which prevents the Accounts Department from sharing in the benefits of the schemes. Part (c) does not arise.

SUSPENSION OF EMPLOYEES OF THE EAST INDIAN RAILWAY, ACCUSED OF AN OFFENCE UNDER THE INDIAN PENAL CODE BUT RELEASED ON BAIL.

901. ***Mr. E. H. M. Bower :** (a) Is there any rule that when a subordinate employee on the East Indian Railway is accused of an offence against the Indian Penal Code and is released on bail pending trial, the accused employee is placed under suspension till such time as a competent court pronounces judgment ?

(b) If the answer to part (a) be in the affirmative, will Government please state whether the same procedure is applied in the case of the gazetted officers of the East Indian Railway ?

Mr. P. R. Rau : (a) The rule is that any person whose conduct is undergoing investigation on a serious charge shall be placed under suspension until his case has been decided by the competent authority.

(b) I am not aware of any case in which this rule has been disregarded in the case of gazetted officers by the East Indian Railway.

CERTAIN POSTS IN THE RATES AND CLAIMS OFFICES OF THE COMMERCIAL DEPARTMENT OF THE EAST INDIAN RAILWAY.

902. ***Mr. E. H. M. Bower :** (a) Is it a fact that the Rates and Claims offices of the Commercial Department of the East Indian Railway are considered as one unit for the demotion of subordinate staff ?

(b) Are they also considered as one unit for the promotion of the subordinate staff ?

(c) Are the subordinate posts in these offices inter-changeable, e.g., can the services of a Rates Clerk be utilised as a Claims Clerk and *vice versa* ?

(d) Is it a fact that there are five subordinate posts in these two offices of the Commercial Department in the cadre of Rs. 400—500 ?

(e) Will Government please state :

(i) the names of the five substantive incumbents of these five posts ;

(ii) the dates on which they were appointed to these posts ;

(iii) their substantive salaries ;

(iv) whether they are actually performing the specific duties of their posts ;

(v) whether any of these five posts are at present filled by officiating incumbents ; and

(vi) the names and substantive salaries of such officiating incumbents ?

Mr. P. R. Rau : (a) to (e). Government have no information. These questions are all within the competence of the Agent to decide.

RULES FOR DETERMINATION OF SENIORITY OF THE SUBORDINATE STAFF ON THE EAST INDIAN RAILWAY.

903. ***Mr. E. H. M. Bower :** (a) Is it a fact :

(i) that the Agent of the East Indian Railway has circularised rules for determining the seniority of the subordinate staff ;

(ii) that no definite rules have been framed regarding the seniority of officiating Transportation Inspectors ?

(b) Will Government be pleased to state how seniority is to be decided in the case of subordinates who officiate in the Transportation Inspectors' grade ?

Mr. P. R. Rau : Government have no information, but have sent a copy of this question to the Agent, East Indian Railway, for any action necessary.

PROVISION OF FACILITIES TO ACCUSED SUBORDINATES IN DEPARTMENTAL ENQUIRIES ON THE EAST INDIAN RAILWAY.

904. ***Mr. E. H. M. Bower :** (a) Is it a fact that the rules governing departmental enquiries on the East Indian Railway do not make any provision

(i) for the recording of the evidence of witnesses by the accused subordinates,

(ii) for copies of the evidence and the findings of the enquiry being supplied to the accused subordinate ?

(b) Do Government propose either to grant facilities to the accused subordinate to record the evidence or supply him with copies of the same and the finding of the enquiry ? If not, why not ?

Mr. P. R. Rau : With your permission, Sir, I propose to reply to questions Nos. 904, 905 and 906, together. Rules were issued in 1930 under the authority of the Government of India regulating the discharge and dismissal of State Railway non-gazetted Government servants. These apply to all State-managed Railways : they provide for a departmental enquiry when it is considered that the offence with which an employee is charged is likely to lead to his dismissal. At this enquiry it is laid down that a definite charge in writing shall be framed in respect of each offence and explained to the employee, and the evidence in support of it, as well as his defence, along with any evidence which he may adduce in his defence, shall be recorded in his presence, provided that, for special reasons to be recorded, the evidence of any witness may be taken and recorded otherwise than in the presence of the employee. Copies of relevant documents, which in the opinion of the officer or the committee making an enquiry will be of assistance to the employee in the conduct of his defence, should be supplied

at his request. The Agents are empowered to make subsidiary rules for the purpose of giving effect to the provisions of these rules, but not to alter the main provisions and Government have no reason to believe that they are disregarded on the two Railways mentioned by the Honourable Member.

PROVISION OF FACILITIES TO ACCUSED SUBORDINATES IN DEPARTMENTAL ENQUIRIES ON THE EASTERN BENGAL RAILWAY.

†905. ***Mr. E. H. M. Bower :** (a) Will Government be pleased to state whether rules exist on the Eastern Bengal Railway for the conduct and procedure of departmental enquiries in which a subordinate employee is the accused ?

(b) Is the accused subordinate at such enquiries permitted to cross-examine witnesses ?

(c) Is he permitted to record the evidence of witnesses ?

(d) If the answer to part (c) be in the negative, is the accused provided with copies of the evidence and the finding of the enquiry ?

(e) Do Government propose to issue orders to the Railway authorities concerned to provide facilities to accused subordinates ? If not, why not ?

RULES GOVERNING DEPARTMENTAL ENQUIRIES ON STATE RAILWAYS.

†906. ***Mr. E. H. M. Bower :** (a) Will Government be pleased to state whether there is a common set of rules governing departmental enquiries on State Railways ?

(b) If so, are those rules followed by all the five State Railways ?

(c) If the answer to part (b) be in the negative, do Government propose to issue instructions to Agents of Railways to adhere to these rules in all such cases ?

PROCESSION ON THE EKADASI DAY IN SHAHDARA, DELHI.

907. ***Bhai Parma Nand :** (a) Will Government be pleased to state if it is not a fact that the Hindus of Shahdara (Delhi) have been holding a procession on the Ekadasi day every year from very ancient times ?

(b) Is it not a fact that up till this year, no restriction was placed on that procession ?

(c) Is it a fact that this year, the local authorities have laid down a condition, forbidding the Hindus to play music before the mosques ?

(d) Is it also a fact that as a protest the Hindus of Shahdara have given up the holding of the procession and as a result great discontent prevails among them ? If so, who is responsible for this innovation and consequent discontent ?

The Honourable Sir Harry Haig : (a) Yes.

(b), (c) and (d). In 1932 the Muhammadans of Shahdara objected to the procession playing a band in front of the Saraiwala Mosque because it interfered with their evening prayers. The Magistrate of Shahdara issued a written order forbidding the procession to play music before the mosque at the time of evening prayers. This condition was not entered

†For answer to this question, see answer to question No. 904.

in the licence as the licence had been prepared and delivered before the issue of the order. The condition was, however, observed by the licencees. This year an application for the taking out of the procession was made to the Magistrate of Shahdara who sanctioned the application but in accordance with the precedent of 1932 ordered that the procession should not play music before the Saraiwala Mosque during the evening prayer time and this condition was inserted in the licence. The licencees, however, refused to accept it and the procession was not taken out. A meeting was held by the Hindus of Shahdara protesting against the condition inserted in the licence.

Mr. Lalchand Navalrai : May I know from the Honourable Member whether any objection was taken by the Muhammadans during this last occasion when permission was applied for ?

The Honourable Sir Harry Haig : I think we may assume that that was the case from the facts that I have stated to the House.

Rai Bahadur Kunwar Raghubir Singh : Is the mosque on the road ?

The Honourable Sir Harry Haig : I should require notice of that question. I am not acquainted myself with the locality.

Mr. B. V. Jadhav : May I know what was the necessity of inserting the condition in the licence when, on a former occasion, the insertion was not necessary and the Hindus had not broken that condition ?

The Honourable Sir Harry Haig : The point is that in 1932 the question arose at the last moment and it was not possible to insert the condition in the licence. It was a question of time. On this occasion the matter was taken into consideration sufficiently early and the condition was inserted in the licence.

Mr. M. Maswood Ahmad : Is it a fact that playing of music is not a part of religion ?

The Honourable Sir Harry Haig : That is a general question which it seems unnecessary to go into now.

Mr. Lalchand Navalrai : May I know if the licence was given for this year only or for the future also ?

The Honourable Sir Harry Haig : The licences are given annually as the occasion arises.

Dr. Ziauddin Ahmad : May I suggest that we may discuss this question outside the Assembly, and let us not discuss it on the floor of the House.

Mr. Lalchand Navalrai : Bhai Parma Nand will be prepared for it I think.

Bhai Parma Nand : May I know, if some three or four people or one go and raise an objection, should Government at once introduce a new condition altogether and ignore the tradition that had been going on for a century or more ?

The Honourable Sir Harry Haig : I have no doubt that all the circumstances of the case were carefully considered by the Magistrate before he came to his conclusion.

Bhai Parma Nand : Is it a fact that after that procession another procession by the Jain community was started and that no such condition was laid down for them ?

The Honourable Sir Harry Haig : I am afraid I have no information on that point.

CIRCULATION OF A PROPOSAL FOR PURCHASE OF DERBY SWEEP TICKETS BY THE DIVISIONAL SUPERINTENDENT, MORADABAD DIVISION, EAST INDIAN RAILWAY.

908. ***Bhai Parma Nand :** (a) Will Government please state if it is a fact that the Divisional Superintendent, Moradabad Division, East Indian Railway, on April 3, 1933, under No. 12/199/32-E., circulated a proposal for purchase of Derby Sweep Tickets through the Chief Operating Superintendent, Calcutta? If so, what was the initial expenditure incurred in respect of this printed circular, postage stamps, remittance charges, etc., and was it justified?

(b) Is it a fact that the money collected for Derby Sweep, 1933 (approximately Rs. 500) in the Moradabad Division was sent through a special messenger to Calcutta, who travelled to and from Moradabad on a duty pass and was allowed the usual travelling expenses? If so, how far is it justified in the public interests?

Mr. P. R. Rau : I have called for the information and will place a reply on the table in due course.

Pandit Satyendra Nath Sen : May I know from the Honourable the Home Member whether the Derby Sweep is an institution recognised by the Government?

The Honourable Sir Harry Haig : I do not think it is a matter which comes within the jurisdiction of Government. Government have nothing to do with the Derby Sweep.

Dr. Ziauddin Ahmad : Does it come under the Gambling Act?

Pandit Satyendra Nath Sen : Are Government aware that the Derby Sweep has an extensive operation in India?

The Honourable Sir Harry Haig : The Honourable Member is referring to the Derby Sweep. I suppose he means the Sweep organised by the Calcutta Turf Club which is a private institution.

Pandit Satyendra Nath Sen : Yes.

The Honourable Sir Harry Haig : On that point I think I am right in saying that the provisions of the Indian Penal Code do not apply to that particular Sweep.

Pandit Satyendra Nath Sen : Is it a fact that, although the Derby Sweep is not a recognised institution, still Government do not take exception to the operations of that Sweep, while the operations of other raffle Sweeps are very vehemently opposed by Government?

The Honourable Sir Harry Haig : I understand that the legal position is that the Sweep organised by the Calcutta Turf Club does not offend against the law.

Pandit Satyendra Nath Sen : Is it the same with other Sweeps, as well, for instance, the Irish Hospital Sweep?

The Honourable Sir Harry Haig : It depends on the nature of the Sweep. I dare say if my Honourable friend wishes to pursue the legal question, my Honourable friend, the Law Member, would be able to throw further light on the subject.

Pandit Satyendra Nath Sen : Are Government aware that one Rabindra Nath Dhar was prosecuted and convicted last year for selling tickets for the Irish Hospital Sweep ?

The Honourable Sir Harry Haig : No, Sir. I was not aware of that fact.

Mr. Lalchand Navalrai : Might I know from the Honourable Member if special sanction has been given for carrying on this Sweep ?

The Honourable Sir Harry Haig : No special sanction has been given. It is merely a question of whether a particular transaction offends against the law or not.

Pandit Satyendra Nath Sen : Is it a fact that a large number of Government servants holding very responsible positions are members of the Derby Sweep ?

The Honourable Sir Harry Haig : I do not quite understand what the Honourable Member means by saying " members of a Derby Sweep ".

Pandit Satyendra Nath Sen : I mean the Derby Sweep Committee.

Mr. Lalchand Navalrai : Might I know if the Honourable Member has ever considered the legal aspect of this question as distinguished from other Sweeps ?

The Honourable Sir Harry Haig : The question asked did not appear to affect my Department and I must confess that I have not recently looked into these legal questions on which my Honourable friends opposite ply me with so many inquiries.

Mr. Lalchand Navalrai : Will the Honourable Member go into that question and find out why this Derby Sweep does not come within the purview of the Penal Code.

The Honourable Sir Harry Haig : If the Honourable Member wishes to put down a question, I shall be very happy to give him an answer.

Pandit Satyendra Nath Sen : I gave notice of several questions which have been disallowed.

The Honourable Sir Harry Haig : I am afraid I cannot take the responsibility for that.

Mr. S. C. Sen : Is it a fact that these tickets are sold privately and confidentially through members only ?

The Honourable Sir Harry Haig : That is the position.

Mr. S. C. Sen : Is that the reason why it does not come within the purview of the Penal Code ?

ISSUE OF DUTY PASSES FOR HIS PRIVATE SERVANT BY THE SUPERINTENDENT, RAILWAY SCHOOL OF TRANSPORTATION, CHANDAUSI.

909. ***Bhai Parma Nand :** Will Government be pleased to state if it is a fact that the Superintendent, Railway School of Transportation, East Indian Railway, Chandausi, issued duty passes for his private servants and for carrying his personal things ? If not, for what purposes were duty passes for third class, No. 006204, dated the 27th January, 1933, No. 006208, dated the 22nd February, 1933, *ex-Chandausi to Cawnpore*

Central, No. 006203, dated the 6th January, 1933, for 32 menials *ex-Chandausi* to Moradabad and for second class, No. 005286, dated the 6th January, 1933, for eight subordinates *ex-Chandausi* to Moradabad, issued and whether the Audit Department made any objection to such use of the passes ?

Mr. P. R. Rau : Government have no information but are enquiring into the matter.

USE OF AN OFFICER'S CARRIAGE FOR JOY RIDES UNDER ORDERS OF THE DIVISIONAL SUPERINTENDENT, MORADABAD DIVISION, EAST INDIAN RAILWAY.

910 ***Bhai Parma Nand :** Is it a fact that an officer's carriage, No. 4883, under orders of the Divisional Superintendent, Moradabad Division, East Indian Railway, has frequently been used for joy rides ? If not, on which dates the said carriage was booked to Hardwar and onwards upto Dehra Dun during the period from December, 1932 to August, 1933 and for what purposes ?

Mr. P. R. Rau : I have called for a report from the Agent, East Indian Railway, and will lay a reply on the table in due course.

DUTIES PERFORMED BY THE RAILWAY STAFF DURING MELAS AT GARHMUKTESAR, HARDWAR AND ROORKEE.

911. ***Bhai Parma Nand :** (a) Will Government be pleased to state the nature of the duties performed by the Mela Officer, Mela Supervisor and the staff deputed from Travelling Ticket Examiners (Mr. A. M. Alvi) and Junior Guards (Messrs. Ahmed Nabi and Jagdesh Narain) during the Melas at Garhmuktesar, Hardwar and Roorkee in the years of 1932 and 1933 ?

(b) From what appointments or cadre were the Mela Officer and Mela Supervisor drawn ?

(c) Did Government consider whether the appointment of the Mela Supervisor could be avoided in view of the Station Masters at these stations holding the supervising duties as their ordinary routine ?

(d) What was the necessity of having two officers (Mela Officer and Mela Supervisor) functioning at the same time for the Mela at the same station ?

(e) What was the extra expenditure incurred in respect of these appointments ?

(f) Is it a fact that the Mela Supervisor was provided with a first class four-wheel carriage ? If so, was he entitled to it and for how many days was it utilized by him ? Could he not be accommodated in a tent which was specially hired during the Melas ?

Mr. P. R. Rau : With your permission, Sir, I propose to reply to this and the next question together.

Government have no information, but have sent a copy of the question to the Agent, East Indian Railway, for consideration in connection with future Melas.

ARRANGEMENTS FOR THE ADH-KUMB MELA 1933 AT HARDWAR.

†912. ***Bhai Parma Nand** : (a) Will Government be pleased to state who was directly responsible for the arrangements of the Adh-Kumb Mela 1933 at Hardwar ?

(b) Were the working rules of Hardwar Railway Station during Adh-Kumb Mela 1933 workable and approved by the Senior Government Inspector in accordance with the General Rules of the Open Line Working ? If so, will Government please lay on the table a copy of the said rules, together with a statement showing detentions of regular trains and details of derailments and accidents, if any ?

(c) Will Government please state how it was justified :

- (i) to open a Control Office at Hardwar ;
- (ii) to suspend the goods traffic between Moradabad and Saharanpur ;
- (iii) to lay an avoiding line off Lhaksar and erect and work cabins or flag stations at both ends ;
- (iv) to erect a cabin at Hardwar and work the same as a line clear station ;
- (v) to provide high power arc lamps in addition to the electric installation done for the Mela ;
- (vi) to purchase kerosine oil for the arc lamps ;
- (vii) to suspend the stoppage of light trains at Hardwar Tunnel (City Booking Office) and Bhimgoda and the booking of passengers therefrom in spite of the fact that every train stops there under a caution order of Engineering Department ;
- (viii) to suspend the booking of passengers to and from Jawalapur and Raiwala stations ;
- (ix) to post nine Assistant Station Masters, three Platform Inspectors and such other extra staff ;
- (x) to lay out extra lines and erection of temporary platforms out of capital outlay ;
- (xi) to keep engines on steam for a longer period than required in absence of any anticipation of running of a special ?

ARREARS IN FOREIGN SEA-BORNE TRADE STATISTICS FOR KATHIAWAR PORTS.

913. ***Mr. J. Ramsay Scott** : (a) Are Government aware that foreign sea-borne trade monthly statistics for British India for July, 1933, have just been published ?

(b) Are Government aware that foreign sea-borne trade statistics for Kathiawar Ports for November, 1932, have just been published ?

(c) Are Government aware that the Kathiawar statistics are nine months in arrears ?

The Honourable Sir Joseph Bhore : (a), (b) and (c). Yes, Sir.

† For answer to this question, see answer to question No. 911.

IMPORT OF SUGAR THROUGH KATHIAWAR PORTS.

914. *Mr. J. Ramsay Scott : Will Government please lay on the table a statement giving the total imports of sugar imported through Kathiawar ports for the year 1932-33 ?

The Honourable Sir Joseph Bhore : With your permission, Sir, I will reply to questions Nos. 914 and 915 together.

I lay on the table two statements furnishing the information required.

STATEMENT I.

Total imports of sugar into Kathiawar ports during 1932-33.

1932-33.	Quantity (tons).	Value (R).
Sugar	63,793	76,53,491

STATEMENT II.

Imports of cotton textiles and yarns into Kathiawar ports during 1932-33.

Cotton manufactures.	Total imports.		Japan's share.	
	Quantity.	Value (R).	Quantity.	Value (R).
Twist and yarn lb.	20,333	20,792	1,400	765
Blankets lb.	448	3,408	..	..
Canvas (a) yd.	7,115	3,271	..	..
Handkerchiefs (a) No.	3,600	220	3,600	220
Hosiery (a) Value	..	26,305	..	2,593
Lace and patent net (a) yd.	459,896	14,042	..	..
Piecegoods (a) yd.	6,256,256	12,27,745	2,992,532	4,12,025
Thread, sewing lb.	13,257	40,351	100	297
Other sorts (a) Value	..	40,247	..	5,340

(a) Weight not recorded.

IMPORT OF COTTON TEXTILE AND YARN, ETC., THROUGH KATHIAWAR PORTS.

†915. *Mr. J. Ramsay Scott : Will Government please lay on the table a statement giving the imports through Kathiawar ports for the year 1932-33 of :

(a) cotton textiles and yarn in weight and value ;

(b) the Japanese share of such imports in weight and value ?

† For answer to this question, see answer to question No. 914.

INCLUSION IN THE SEA-BORNE TRADE VOLUME OF STATISTICS OF IMPORTS THROUGH KATHIAWAR PORTS.

916. *Mr. J. Ramsay Scott : (a) Are Government aware that the yearly volume of sea-borne trade of 1931-32 does not give the full picture of imports into India, as Kathiawar figures are not included ?

(b) Are Government prepared to take steps, in view of the great increase of imports through Kathiawar ports, to have these statistics included in the sea-borne trade volume for 1932-33 ?

The Honourable Sir Joseph Bhore : (a) Government are aware that Kathiawar figures are not included in the annual volume of Sea-borne Trade for 1931-32.

(b) Government will consider the suggestion made by the Honourable Member.

ARMY HEADQUARTERS SPECIAL TRAIN BETWEEN SUMMER HILL AND SIMLA.

917. *Sardar Sant Singh : (a) With reference to the reply to part (d) of the starred question No. 136, dated the 29th August, 1933, will Government be pleased to state the number of Army Headquarters technical clerks who are entitled to free conveyance under the military rules for living at a place more than half a mile distant from the office, and will they be pleased to place a copy of the said rules on the table of this House ?

(b) Will Government be pleased to state the total cost of giving the respective class of monthly ticket fares to only such clerks of the Army Headquarters who are entitled under the military rules to free conveyance for themselves and their school-going children reading in Simla schools ?

Mr. G. R. F. Tottenham : The information asked for by the Honourable Member is being collected, and will be laid on the table of the House in due course.

ARMY HEADQUARTERS SPECIAL TRAIN BETWEEN SUMMER HILL AND SIMLA.

918. *Sardar Sant Singh : (a) With reference to the reply to part (c) of the starred question No. 137, dated the 29th August, 1933, denying the fact stated in the said part of the question, will Government be pleased to state whether the following persons, who travel daily by the clerks' special, hold Army Headquarters passes for such free conveyance between Summer Hill and Simla in accordance with the Army Department instructions to the Quartermaster General, regarding the issue of such passes ?

- (i) Mr. C. Allan of the M. G. O. Branch, living in Summer Hill in a private house ;
- (ii) Staff Sergeant Gill of the office of the A. D. O. S. P. (M. G. O.) living in Summer Hill in a private house ;
- (iii) Mr. Edwards, a pensioner of Army Headquarters and at present employed in a private office but living in Government quarters by sufferance ;
- (iv) Mrs. Augustine of the M. G. O. living in a private house in Summer Hill ;

- (v) Miss Gidson of the M. G. O. living in a private house in Summer Hill ;
- (vi) Mr. S. E. Souza of the M. A. G. which is not included in the Army Department instructions regarding issue of passes ;
- (vii) Mr. Wade of Indian State Forces who has not been allotted any Government quarters in Summer Hill ;
- (viii) Mr. Rutter of A. G.'s Branch and who has not been allotted any Government quarters ;
- (ix) Mr. Dannett of the office of the A. M. S. P. living in a private house in Summer Hill ;
- (x) Mr. C. Soisai of A. G.'s Branch living in a private house in Summer Hill ?

If not, do Government propose to enquire from the North Western Railway Administration whether any monthly tickets have been issued by the Assistant Operating Officer, Simla, in the name of those persons and if so, have those or any of those been issued after the notice of the previous questions were received by Government in the beginning of July ?

(b) If no Army Headquarters passes have been issued, nor monthly tickets have been purchased by those mentioned above, are Government aware that they are allowed to travel by the three bogies of the clerks' special paid from military estimates in contravention of the Army Department instruction to the Quartermaster-General ? If so, why ?

(c) If the answer to parts (a) and (b) be in the affirmative, will Government be pleased to state what steps they propose to take against the North Western Railway for denying the facts stated in part (c) of starred question No. 137 ?

(d) With reference to the reply to part (d) of the starred question No 137, dated the 29th August, 1933, denying the facts stated in part (a) above, do Government propose to ask the North Western Railway whether such facts were brought to the notice of the Assistant Station Masters. Simla, especially Harbanslal and others who generally used to travel in the clerks' special as Guards in charge of the train about such distinctions, by a large number of the public utilising the train, and are Government aware that they always replied that they are not authorised to check the tickets or passes of the Army Headquarters' European clerks ? If not, do Government propose to ask the North Western Railway to enquire from the public ? If not, why not ?

(e) Will Government be pleased to state further how such a large number of European clerks as mentioned in part (a) were travelling and are still travelling in the bogies paid for from military estimates ?

Mr. P. R. Rau : (a) I am informed that of the ten persons mentioned in this question, only two namely Messrs. Rutter and Dannett hold Army Headquarters passes, at present.

It appears that since July monthly season tickets have been issued to two of the persons named, namely Mrs. Augustine for August and September, 1933, and Miss Gidson for September, 1933.

(b) I understand that persons found travelling without tickets or passes are charged excess fares by the Railway Administration, and no person is permitted to travel without a ticket or a pass.

The entrainment and detrainment is supervised by the Camp Sergeant and a certificate is forwarded to the Assistant Operating Officer, Simla, that only those entitled to travel in these couches actually have travelled.

(c) I cannot see in what respect the Honourable Member contends that the information given previously was incorrect.

(d) I am informed that all the three Assistant Station Masters report that no such facts were brought to their notice by anybody. They also deny having stated that they are not authorised to check the tickets or passes of Army Headquarters European Clerks.

Government do not consider that a public enquiry is called for.

(e) In view of the reply to parts (a) and (b), this question does not arise.

PROVISION OF A CLUB FOR INDIAN CLERKS LIVING IN SUMMER HILL QUARTERS.

919. ***Sardar Sant Singh** : (a) With reference to the reply to starred question No. 138, dated the 29th August, 1933, will Government be pleased to state the reasons why the Club House built at Government expense is only reserved for a particular community of Government servants, namely Europeans and Anglo-Indians, living in Summer Hill Government quarters ?

(b) Will Government be pleased to state further the reasons why the Europeans and Anglo-Indians, working in the civil departments and offices as well are allowed to utilise the Club and why Indians who have adopted European style of living are not allowed to enjoy the Club House ?

(c) Do Government propose to remove this racial bar and allow the Indian tenants of Summer Hill Government quarters who have been allotted those quarters on the declaration that they have adopted European style of living ? If not, why not ?

(d) With reference to the reply to the starred question No. 138, dated the 29th August, 1933, will Government be pleased to state the number of European and Anglo-Indian allottees of Summer Hill Government quarters in the year of construction of the said Club House for whom Government did provide the said Club House, and will they be pleased to state the number of Indian allottees of Summer Hill Government quarters in the summer of 1933 and the summer of 1934 for whom no Club House has been provided ?

Mr. G. R. F. Tottenham : (a), (b) and (c). The Club House, Summer Hill, was provided for Europeans and Anglo-Indians at a time when there were very few, if any, Indians living in Government quarters in that neighbourhood. If there is any general desire on the part of Indian clerks residing in Summer Hill to become eligible for membership, they can always make that desire known to Government through their Associations. A representation on the subject from any of these Associations would receive the consideration of Government in consultation with the Committee of the Club.

(d) The Club House referred to was constructed in 1926, and in that year 63 European and Anglo-Indian clerks were allotted quarters in Summer Hill. The number of Indian allottees of these quarters in 1933 and 1934 is 28 and 31, respectively.

ARMY HEADQUARTERS SPECIAL TRAIN BETWEEN SUMMER HILL AND SIMLA.

920. *Sardar Sant Singh : (a) With reference to the reply to part (a) of the starred question No. 139, dated the 29th August, 1933, will Government be pleased to state whether cases of eviction of Indian ladies and school boys from intermediate class compartments attached to the clerks' Special by Army Headquarters clerks were ever reported to the North Western Railway staff and if so, how often ?

(b) Did the North Western Railway staff take any action on such reports ; if so, why did they take those steps for removing the aforesaid grievances ?

Mr. P. R. Rau : I understand no such reports were ever made to the North Western Railway staff.

ARMY HEADQUARTERS SPECIAL TRAIN BETWEEN SUMMER HILL AND SIMLA.

921. *Sardar Sant Singh : (a) With reference to the reply to part (b) of the starred question No. 139, dated the 29th August, 1933, will Government be pleased to state whether on the 28th August last, Lieutenant Whitmars and other European clerks and several school-going children were occupying first and second class compartments by the 4-20 train which is not the clerks' Special ?

(b) Is it a fact that the said Europeans forced a small Indian boy of about eight years' age to get down from a compartment of the train on the ground that the boy held an intermediate class monthly ticket ?

(c) Is it a fact that the said European clerks and children travelling by the Bombay mail with Army Headquarters' passes in first and second class compartments were asked by the North Western Railway staff, on the intervention of other Indian passengers, to leave the compartments, and is it a fact that they refused to do so unless the North Western Railway staff brought the railway police ?

(d) If the answers to parts (a), (b) and (c) be in the affirmative, do Government propose to make a thorough investigation for verifying whether the facts stated in part (b) of the starred question No. 139, dated the 29th August, 1933, are correct ? If not, why not ?

Mr. P. R. Rau : (a) and (c). On the 28th August, 1933, I understand some European gentlemen and several school boys and children, who did not possess tickets but were in possession of Army Headquarter passes, were prevented from travelling by the 16-20 train. They were accommodated in the Soldier Clerks Special leaving Simla at 16-29 hours. This action on the part of the Railway staff was not prompted either by the public or by the police.

(b) The Railway Administration is unaware of this.

(d) Government do not consider that any special investigation is necessary.

PROVISION OF FACILITIES FOR FREE CONVEYANCE TO THE CIVILIAN CLERKS LIVING IN SUMMER HILL QUARTERS.

922. *Sardar Sant Singh : (a) With reference to parts (b) and (c) of the starred question No. 140, dated the 29th August, 1933, will Government be pleased to state whether the civilian clerks of Army Headquarters living in Summer Hill Government quarters form the bulk of the Army

Headquarters pass-holders for free conveyance by the clerks' special train ?

(b) If so, is it a fact that such civilian clerks living in Summer Hill are not entitled to free conveyance under the military rules ? If so, will Government be pleased to state the reasons why other civilian clerks employed in other civil departments and offices of the Government of India other than the Army Headquarters are not allowed free conveyance by the said clerks' Special ?

(c) Do Government propose to remove this preferential treatment of one class of Government of India servants over another class ?

The Honourable Sir Harry Haig : With your permission I shall answer questions Nos. 922, 924 and 925 together.

The number of clerks of the Army Headquarters who travel free by the special train running between Summer Hill and Simla is as follows :

(a) Military clerks	..	..	..	24
and their children (entitled to free conveyance under military rules)	..	..	..	12
(b) Civilian clerks not entitled to free conveyance under military rules	..	..	..	44

The question of free train service for the clerks of Civil Departments in occupation of Government quarters at Summer Hill was examined in 1924. The Imperial Secretariat Association who were consulted in the matter stated that there was no pressing demand for free conveyance. The matter was dropped and Government do not propose to reopen it.

It is within the discretion of various Civil Departments to allow such of their clerks as may reside at Summer Hill and who arrive in office by 9-45 A.M. to leave office at 4 P.M. to take advantage of the special train which is run between Summer Hill and Simla.

GRANT OF HOUSE RENT TO CLERKS UNWILLING TO OCCUPY SUMMER HILL QUARTERS.

923. ***Sardar Sant Singh :** With reference to the reply to part (a) of the starred question No. 143, dated the 29th August, 1933, will Government be pleased to state whether it is a fact that those who are liable to be allotted Summer Hill quarters are being compelled to occupy them on pain of forfeiting their house rent allowance in Simla ? If not, will Government be pleased to state whether men governed by the new house rent rules and declaring to have adopted European style of living but not willing to occupy Summer Hill quarters will be entitled to house rent allowance admissible under the Simla Allowance Code ?

The Honourable Sir Frank Noyce : Those Government servants, who are governed by the new rates of Simla house-rent allowance and who have claimed to be considered eligible for the European style of living quarters,

cannot draw the allowance if they refuse to accept the offer of quarters at Summer Hill.

PROVISION OF FACILITIES FOR FREE CONVEYANCE TO THE CIVILIAN CLERKS
LIVING IN SUMMER HILL QUARTERS.

† 924. *Sardar Sant Singh : With reference to the reply to part (b) of the starred question No. 144, dated the 29th August, 1933, stating that the special train was sanctioned and free passes granted to all Army Headquarters clerks allotted Summer Hill quarters, majority of whom do not enjoy military status, to ensure that they should reach office punctually in the mornings and return to their quarters at a reasonably early hour in the afternoons without being compelled to walk the comparatively long distance to and from Summer Hill, will Government be pleased to state the reasons why the same consideration is not shown to Government servants belonging to civil departments and offices living in Summer Hill Government quarters and whose office hours are from 10-30 A.M. to 4-30 P.M. and do not coincide with the office hours of the Army Headquarters offices which are from 10 A.M. to 4 P.M. ?

CHANGE OF TIMINGS OF THE ARMY HEADQUARTERS SPECIAL TRAIN OR OF
OFFICE HOURS OF GOVERNMENT OFFICES IN SIMLA.

† 925. *Sardar Sant Singh : Do Government propose to change the timing of the clerks' special or change the office hours of the Government offices in Simla in such a way as to make the timing of the clerks' special from Summer Hill to Simla and *vice versa* suitable to all clerks living in Summer Hill quarters irrespective of whether they belong to civil offices or Army Headquarters offices ? If not, why not ?

SUITS INSTITUTED BY GOVERNMENT FOR THE DECLARATION OF THEIR
PROPRIETARY RIGHTS IN RESPECT OF CERTAIN SITES AND BUNGALOWS IN
THE RAWALPINDI CANTONMENT.

926. *Sardar Sant Singh : Is it a fact that Government have instituted law suits for the declaration of their proprietary rights in respect of certain sites and bungalows in the Rawalpindi Cantonment ? If so, will Government be pleased to state the names of the owners of such sites and bungalows against whom such cases were instituted this year and last year in Rawalpindi Cantonment ?

Mr. G. R. F. Tottenham : With your permission, Sir, I will answer questions Nos. 926 and 927 together.

In 1932 Government filed one suit in Rawalpindi Cantonment ; this was against Sardar Sohan Singh for a declaration of their proprietary rights in the site of bungalow No. 193.

Judgment was delivered on the 10th July, 1933, upholding Government's claim.

† For answer to this question, see answer to question No. 922.

SUITS INSTITUTED BY GOVERNMENT FOR THE DECLARATION OF THEIR PROPRIETARY RIGHTS IN RESPECT OF CERTAIN SITES AND BUNGALOWS IN THE RAWALPINDI CANTONMENT.

†927. ***Sardar Sant Singh** : (a) Is it a fact that a law suit was instituted by Government for the declaration of proprietary rights for certain sites and bungalows in the Rawalpindi Cantonment recently ?

(b) Is it a fact that the judgment of the said case was delivered by the judge in favour of Government on the 10th July ? If not, when was the judgment actually delivered ?

ABUSE OF DISCRETIONARY POWERS VESTED IN THE INCOME-TAX OFFICERS AT CALCUTTA.

928. ***Mr. D. K. Lahiri Chaudhury** : (a) Are Government aware that the discretionary powers vested in the Income-tax Officers at Calcutta are highly abused ?

(b) Are Government aware that the Income-tax Officers at Calcutta do not give any reasonable opportunity to the assesseees to enable them to comply with the notices under sections 22 (4) and 23 (2) and that efforts are generally made to make heavy assessments under section 23 (4) of the Indian Income-tax Act, depriving the assesseees of their rights of appeal on merits ?

The Honourable Sir George Schuster : With your permission, Sir, I shall answer questions Nos. 928 and 932 together. Enquiries are being made and the results will be laid on the table in due course.

PETITIONS FILED UNDER SECTION 27 OF THE INDIAN INCOME-TAX ACT IN CALCUTTA.

929. ***Mr. D. K. Lahiri Chaudhury** : Will Government be pleased to state how many petitions under section 27 of the Indian Income-tax Act were filed during the years 1930-31, 1931-32 and 1932-33 ? How many out of them were accepted and what were the amounts of tax refunded to the assesseees by such acceptance ?

The Honourable Sir George Schuster : As regards the first part of the question, a statement is laid on the table. As regards the second part, the information desired is not on record and could not be compiled without the expenditure of time and labour disproportionate to the value of the results.

Statement showing the number of applications filed under Section 27 of the Indian Income-tax Act, 1922, and those accepted during the years 1930-31, 1931-32 and 1932-33.

					No. of applications filed under section 27.	No. of applications accepted under section 27.
1930-31	..	..	..	..	9,733	2,331
1931-32	..	..	..	..	9,545	2,397
1932-33	..	..	..	..	12,613	3,056

† For answer to this question, see answer to question No. 926.

AMOUNT OF INCOME-TAX COLLECTED IN CALCUTTA.

930. ***Mr. D. K. Lahiri Chaudhury** : Will Government be pleased to state what was the amount of income-tax collected under section 23 (4) of the Indian Income-tax Act, during 1930-31, 1931-32 and 1932-33 in cases where returns were filed ? And what should have been the amount of tax if they had been accepted as correct ?

The Honourable Sir George Schuster : The information is not on record and could not be compiled without an expenditure of time and labour disproportionate to the value of the results.

INCOME-TAX CIRCULARS ISSUED BY THE CENTRAL BOARD OF REVENUE.

931. ***Mr. D. K. Lahiri Chaudhury** : Will Government be pleased to state whether the income-tax circulars issued by the Central Board of Revenue from time to time to the Income-tax Department are not made accessible to the assesseees ? If not, why not ?

The Honourable Sir George Schuster : Income-tax circulars issued by the Central Board of Revenue that are of general public interest are incorporated in the Income-tax Manual to which the public have access.

ASSESSMENT OF INCOME-TAX IN CALCUTTA.

*932. ***Mr. D. K. Lahiri Chaudhury** : Are Government aware that the Income-tax Officers at Calcutta while making assessments to the best of their judgment or while exercising their discretion under section 13 of the Indian Income-tax Act, generally place reliance on the reports furnished by their secret informers and give absolutely no opportunity to the assesseees to rebut them ?

UNSTARRED QUESTIONS AND ANSWERS.

RECRUITMENT OF MEMBERS OF MINORITY COMMUNITIES IN THE POST OFFICES AND RAILWAY MAIL SERVICE IN THE BOMBAY PRESIDENCY.

55. **Mr. N. M. Joshi** : Will Government be pleased to state :

- (a) whether the recruitment rules, regarding the communal composition of clerical staff in the Post Offices and Railway Mail Service in the Bombay Presidency, require every third vacancy to be reserved for communal preponderance ;
- (b) whether the minority community for the purpose of recruitment in Bombay Circle includes Parsis, Christians, Muslims and the backward and depressed classes, or refers exclusively to Muslim community alone ;
- (c) what are the supplementary instructions, if any, in connection with recruitment laid down by the Postmaster-General, Bombay, and whether they have the approval of the Government of India ?

† For answer to this question, see answer to question No. 928.

The Honourable Sir Frank Noyce : (a) The fact is not exactly as stated by the Honourable Member but to prevent the undue preponderance of any one class or community, Government have laid down that one-third of all permanent vacancies to be filled by direct recruitment should be reserved for the redress of communal inequalities.

(b) The one-third reservation is not for Muslims alone but for the minority communities taken together.

(c) Government are not aware that any supplementary instructions are in force in the Bombay Postal Circle, but if the Honourable Member will give me particulars of any such instructions, I shall be glad to inquire into the matter.

OVERSEER AND SORTING POSTMEN UNDER THE CONTROL OF THE PRESIDENCY
POSTMASTER, BOMBAY.

56. Mr. N. M. Joshi : Will Government be pleased to state :

(a) the total number of overseer postmen and sorting postmen, since termed as Lower Division clerks, under the control of the Presidency Postmaster, Bombay, on 1st June, 1933 ;

(b) the total number of Lower and Upper Division clerks under his control ;

(c) the total number of reserve staff for the combined cadre of Upper and Lower Division clerks in accordance with 17 per cent. holding appointments in Bombay ;

(d) if the full percentage of leave reserve has not yet been sanctioned, and, if so, when it would be sanctioned and what instructions have been issued so that the leave to the staff for want of reserve may not be refused ?

The Honourable Sir Frank Noyce : (a) to (c). Government regret that the information required for purposes of parts (a) to (c) of the question is not readily available.

(d) Government are not aware that a leave reserve of the full strength has not been sanctioned and that for this reason there has been any difficulty in granting leave to the staff. Should the facts be as reported by the Honourable Member it is for the Head of the Circle to represent the matter to the Director General ; a copy of this question is being sent to that officer.

FRAUDS COMMITTED BY THE DEPARTMENTAL AND EXTRA-DEPARTMENTAL
STAFF IN THE BOMBAY POSTAL CIRCLE.

57. Mr. N. M. Joshi : Will Government be pleased to state :

(a) the number of frauds committed by the (i) departmental, and (ii) extra-departmental postal staff in Bombay Circle during the period of six months from the 1st January, 1930 to the 30th June, 1930 ;

(b) the number of frauds proved and under enquiry committed by (i) departmental branch postmasters, (ii) extra-departmental branch postmasters, (iii) postmen, and (iv) gratuity agents, from the 1st January, 1933 to the 30th June, 1933 ?

The Honourable Sir Frank Noyce : I regret that the information asked for is not readily available and it would involve undue labour to collect it.

ALLEGED MISMANAGEMENT OF THE CENTRAL PUBLICATION BRANCH.

58. **Mr. S. C. Mitra :** (a) Has the attention of Government been drawn to the report in the Delhi edition of the *Statesman*, dated the 27th August, 1933, under the caption "Rush to Buy Book on reforms—Busy Delhi Office" ?

(b) If so, will Government be pleased to state the amount earned by sale of publications of the Reforms Office from July to the 27th of August ?

(c) How many complaints against the Central Publication Branch were received during the last financial year from the Members of the Legislature, as stated by Mr. D'Eca, Officiating Manager, to the Press representative ?

(d) Will Government be pleased to state the circumstances of the complaints ?

(e) Who are those Members from whom complaints had been received ?

(f) What is the total number of indents received during the last financial year ?

(g) Did Mr. D'Eca invite the Press representative ?

(h) Is the present building, where the Central Publication Branch is located, four times as large as the one the Branch had occupied in Calcutta, as reported by Mr. D'Eca ?

(i) Is it a fact that lots of publications are lying in closed boxes in the verandahs ?

(j) If so, is it due to paucity of racks and space ?

(k) Is it a fact that the rains of late have done considerable damage to these publications ?

(l) Is it a fact that many publications are being damaged by white ants ?

The Honourable Sir Frank Noyce : (a) Yes.

(b) Rs. 454.

(c) The statement did not refer to the last financial year ; there are no records in my Department of any complaints being received from Members during that period.

(d) and (e). Do not arise.

(f) 64,359.

(g) No.

(h) On the basis of such information as it has been possible to obtain at short notice, rather over three times would have been more accurate.

(i) Yes.

(j), (k) and (l). No.

CENTRAL BOOK DEPOT, CALCUTTA.

59. **Mr. S. C. Mitra :** (a) How long has the Central Book Depot, Calcutta, been in existence ?

(b) Was it opened during the time of Messrs. Letton and D'Eca ?

(c) What is the average sale-proceeds at present at that Book Depot ?

(d) What is the oldest Government of India publication in stock in the Central Publication Branch ?

(e) Is it a fact that from sale point of view Calcutta was better than Delhi ?

(f) If so, was this fact given due consideration before the transfer was given effect to ?

The Honourable Sir Frank Noyce : (a) About 9½ years.

(b) No.

(c) The average for the last 5 months is Rs. 2,568.

(d) Act No. II of 1834.

(e) Yes.

(f) Yes ; the Retail Book Shop was not transferred.

USE OF OFFICE LORRY BY THE MANAGER, CENTRAL PUBLICATION BRANCH.

60. **Mr. S. C. Mitra :** (a) What is the monthly expenditure on account of petrol consumption of the lorry of the Central Publication Branch ?

(b) Is it a fact that the lorry goes daily to the Officiating Manager's bungalow in New Delhi to bring his lunch ?

(c) If so, is the Manager competent to use the lorry for his personal use ?

The Honourable Sir Frank Noyce : (a) About Rs. 144 a month.

(b) I am informed that this is not the case but that the lorry has brought the Manager's lunch from other places in New Delhi where it happened to be at the time.

(c) No.

INSOLVENCY OF MR. JAMES ROWLAND HOPPER, AN EMPLOYEE OF THE CENTRAL PUBLICATION BRANCH.

61. **Mr. S. C. Mitra :** (a) With reference to the issue of the Gazette of India, dated the 26th September, 1931, Part II, page 1134, will Government please state whether Mr. James Rowland Hopper, adjudged insolvent, is still an employee of the Central Publication Branch ?

(b) If so, did the employee obtain previous sanction of the Department concerned before filing the insolvency petition ? If so, when ?

(c) What are the rules that govern public servants in respect of filing insolvency petitions ?

(d) If the answer to part (b) above, be in the negative, what action do Government propose to take in the light of part (c) above ?

The Honourable Sir Frank Noyce : (a) Yes.

(b) and (c). There are no rules requiring a Government servant to obtain the previous sanction of the Department in which he is serving before filing an insolvency petition, and so far as I am aware, no sanction was sought in this case.

(d) Does not arise.

SUBJEME OF REORGANISATION OF THE CENTRAL PUBLICATION BRANCH.

62. **Mr. S. C. Mitra :** Is it a fact that the Controller of Printing and Stationery has submitted a scheme of reorganisation of the Central Publication Branch ? If so, on what lines is the reorganisation proposed to be effected ?

The Honourable Sir Frank Noyce : The answer to the first part is in the negative ; the second part does not arise.

RECRUITMENTS MADE IN THE CENTRAL PUBLICATION BRANCH.

63. **Mr. S. C. Mitra :** (a) Is it a fact that some new men have been recruited by the Officiating Manager, Central Publication Branch, in the grade of Rs. 45—140 ?

(b) If so, was any sanction for the appointments obtained ?

(c) Were the vacant posts advertised in any newspaper ?

(d) Did the men employed apply for the job ? If so, will Government please state the dates of the receipt of their applications ?

The Honourable Sir Frank Noyce : (a) Yes.

(b) Yes, in cases where sanction is necessary.

(c) No.

(d) A formal application dated the 17th July, 1933, was received from one candidate. Others presented themselves personally for employment.

POSITION OF TEMPORARY CLERKS IN THE CENTRAL PUBLICATION BRANCH.

64. **Mr. S. C. Mitra :** (a) Is it a fact that a large number of temporary clerks employed in Calcutta in the Central Publication Branch, having considerable length of service, have been drawing Rs. 35 per mensem on being re-appointed at Delhi ?

(b) If so, will Government please state why these temporary clerks were not given preference over the new men ?

(c) Are Government aware that about 35 extra daily-paid men, in addition to the permanent strength, are doing clerical duties in the Central Publication Branch, Delhi ?

(d) Have Government received any report of paucity of staff in that office ?

(e) Did Government receive a report from the Controller of Printing and Stationery that with the removal of the Central Publication Branch to Delhi the office could be run with less staff and at less cost ?

The Honourable Sir Frank Noyce : (a) No. The number of men so appointed is four only.

(b) Because they were not considered suitable for the posts to which the newcomers were appointed in an officiating capacity.

(c) Yes.

(d) Yes, in 1931.

(e) No.

CLERICAL DUTIES DONE BY THE RECORD SUPPLIERS IN THE CENTRAL PUBLICATION BRANCH.

65. **Mr. S. C. Mitra :** (a) Are Government aware that in the Central Publication Branch office permanent Record Suppliers, possessing minimum qualification for clerical appointments are deputed to carry on clerical duties ?

(b) Is it a fact that the claims of these are ignored at the time when chances of promotion to clerical grades occur ?

(c) Is it a fact that two Record Suppliers are now maintaining Ledger Books of the Central Publication Branch ?

The Honourable Sir Frank Noyce : (a), (b) and (c). Government have no information on any of the points referred to by the Honourable Member which relate to matters of detail within the competence of the Head of the Department. It is open to any employee who considers that he has a grievance in the matter of promotion to make a representation to the proper authority in the ordinary way.

POLICY OF GOVERNMENT TOWARDS COMPANY-MANAGED RAILWAY SCHOOLS.

66. **Mr. S. C. Mitra :** (a) Will the Honourable Member in charge of Railways be pleased to state the policy adopted by Government towards the Railway schools under Company management ?

(b) Is it a fact that the whole question of education of the children of Railway employees is under the consideration of the Railway Board since 1926 and that no definite policy has been laid down as yet ?

(c) Is the Honourable Member aware that in the absence of a definite policy on the part of Government, the Railway authorities have been precluded from making any building grants to the Indian Schools ?

Mr. P. R. Rau : (a) I would refer the Honourable Member to the memorandum placed before the Central Advisory Council for Railways on this subject on the 30th June, 1930, copies of which are available in the Library of the House.

(b) The Honourable Member is correct in the assumption that the question was first brought up for consideration in 1926 ; since then Government have been in correspondence with Local Governments and came to preliminary decisions in 1930 after consulting the Central Advisory Council for Railways. An officer of the Education Department was then

deputed to investigate the cost of giving assistance to railway employees on the North Western, East Indian, Eastern Bengal and Great Indian Peninsula Railways towards the education of their children and to make recommendations for the introduction of improvements in the methods of administration. His report was received in 1932 and is still under the consideration of the Government of India.

(c) The instructions of Government to Railways are to the effect that no new railway schools should be opened except when it is clearly necessary to do so, for instance where the establishment of a school would cost less than the parental assistance or where the educational facilities of the requisite standard are lacking and the Local Government or local body is not prepared to provide the school or schools necessary.

AMOUNTS CONTRIBUTED BY THE BENGAL NAGPUR RAILWAY FOR THE CONSTRUCTION OF THE BUILDINGS OF CERTAIN INDIAN SCHOOLS.

67. **Mr. S. C. Mitra :** (a) Will Government please state the amounts so far contributed by the Bengal Nagpur Railway towards the construction of Indian, (i) H. E., (ii) Boys' Primary and (iii) Girls' School buildings at Khar'gpur, Adra and Chakradharpur ?

(b) Is it a fact that no school buildings have been provided by the Bengal Nagpur Railway for the Girls' and Boys' Primary Schools at Adra, though the schools were started in 1926 and 1928 respectively ?

Mr. P. R. Rau : With your permission, Sir, I propose to reply to questions Nos. 67 and 69 together.

Information is being obtained from the Railway Administration and a reply will be laid on the table in due course.

POSITION OF TEACHERS IN COMPANY-MANAGED RAILWAY SCHOOLS.

68. **Mr. S. C. Mitra :** (a) Will Government please define the position, in relation to the Railway Board, of teachers in Railway Schools under Company management ?

(b) Are they treated as regular Railway employees or employees under the local Fund as in the Bengal-Nagpur Railway, or as teachers of aided schools only ?

(c) Are they admitted to all the privileges to which a regular Railway employee is entitled ?

(d) Do the Railway Board exercise any control over these school teachers and regulate in any way their pay, grades, leave, promotion, etc. ?

(e) Will Government please state if they ever did, or do, contemplate placing the Railway schools under Company management on the same footing as those under State management ?

(f) In view of the centralised control of Railways, are Government prepared to consider the advisability of introducing one uniform system of control and the same scales of salaries for the teachers of both the State and Company-managed Railway schools ?

(g) Will Government please state the reason for introducing the percentage cut in the salaries of teachers in the Railway schools under Company management ?

(h) Will Government please state if they propose to direct the Railway authorities to refund the amount of the cut in their salaries to the teachers in schools under Company-managed Railway ?

Mr. P. R. Rau : (a) The Railway Board does not intervene in the relations between the Company-managed Railways and their servants.

(b) and (c). Government have no information.

(d) No.

(e) It is not possible for Government to take over the management of schools of Company-managed Railways.

(f) Government consider this unnecessary.

(g) The reason was the same as that for introducing a percentage cut in the salaries of railway staff in general, *viz.*, the financial position of Railways and the Government of India.

(h) No.

CONSTRUCTION OF QUARTERS FOR TEACHERS OF BENGAL NAGPUR RAILWAY SCHOOLS.

†69. **Mr. S. C. Mitra :** (a) Will Government please state if teachers in Railway schools are entitled to free quarters ?

(b) Will Government please state the number of school teachers at Khargpur, Adra and Chakradharpur and the number of quarters built or made available for school teachers ?

(c) Are Government aware that no rented houses are available at Khargpur and Adra, specially at the latter place ?

(d) Are Government prepared to consider the necessity of providing immediate funds for the construction of quarters for the teachers in the Bengal Nagpur Railway schools ?

DEMOTION OF CERTAIN DRIVERS OF THE GREAT INDIAN PENINSULA RAILWAY.

70. **Mr. S. G. Jog :** (a) Will Government be pleased to state whether it is a fact that the following drivers of the Great Indian Peninsula Railway, Bombay were demoted from A. and B. Grades to C. Grades in April, 1931 :

Messrs. T. W. Kelly, H. V. Douter, E. O. Harper, L. George, H. B. Kirk, H. S. Leader, J. C. Ellis, W. H. Terry, E. Turner, F. Rustamjee, H. Dinshaw, and J. Jacobs ?

If so, have they been re-instated in their former grades in accordance with the recommendation of the Murphy Enquiry, *viz.*, retrenchment was not warranted and the persons should be taken back in the same order as they were retrenched ?

(b) Is it a fact that the orders contained in Railway Board letter No. 683-E. G., of the 3rd March, 1932, regarding promotion of demoted hands are not acted upon by the Agent, Great Indian Peninsula Railway, in respect of these drivers ? If so, why ?

†For answer to this question, see answer to question No. 67.

(c) Is it a fact that junior drivers from the multiple units at Bombay were transferred to up-country Divisions where they were promoted and the said demoted drivers' claims remained unattended? If so, will Government please state whether the Railway Board letter No. 381-L. of the 19th August, 1932, is not applicable to the Agent, Great Indian Peninsula Railway, in respect of these demoted drivers?

(d) Do Government propose to inquire into and rectify the error, if any?

Mr. P. R. Rau : Government have no information, but I have sent a copy of the question to the Agent, Great Indian Peninsula Railway, for such action as he may deem fit to take. .

RETRENCHMENT OF ANGLO-INDIANS BY THE SUPERINTENDENT, RAILWAY SCHOOL OF TRANSPORTATION, CHANDAUSI.

71. **Mr. S. G. Jog :** Is it a fact that the Agent, East Indian Railway, in one of his letters, No. A.E.-2427/3, dated the 13th July, 1933, stated that "there are at present no European or Anglo-Indian staff on the list of those to be retrenched"? If so, when was this list compiled and how many Anglo-Indians are discharged under terms of retrenchment by the present Superintendent, Railway School of Transportation, Chandausi?

Mr. P. R. Rau : Government have no information, but have sent a copy of the question to the Agent, East Indian Railway, for any action necessary.

UNIFORMS SUPPLIED TO TRAVELLING TICKET EXAMINERS ON THE EAST INDIAN RAILWAY.

72. **Mr. S. G. Jog :** (a) Is it a fact that Anglo-Indian Travelling Ticket Examiners under the Watch and Ward Department have been provided with decent white uniforms as compared with others under the Traffic Department? If so, why? Will Government please state whether the gaberdine grey purchased for the uniforms of the Travelling Ticket Examiners under the Traffic Department has by now been used up as stated in reply to question No. 1133 in the Legislative Assembly on the 2nd October, 1931?

(b) Was any indent for gaberdine grey placed after the 2nd October, 1931; if so, why?

Mr. P. R. Rau : I have called for information and will lay a reply on the table in due course.

NUMBER OF CERTAIN INDIAN OFFICERS ON THE NORTH WESTERN RAILWAY.

73. **Mr. S. C. Mitra :** (a) Will Government please state how many Indians are Loco. Foremen, Station Superintendents, Station Masters grade 6, 7, 8. Deputy Chief Controllers and Chief Controllers, etc., etc., on the North Western Railway?

(b) What is the total strength of the above mentioned officials on the North Western Railway, and how many out of them have qualified from the Walton Training School?

(c) Is there any exception to the rules that the existing incumbents, holding posts referred to in part (a) above can continue to work as such without qualifying from the Walton Training School ?

Mr. P. R. Rau : (a) and (b). I would invite the attention of the Honourable Member to the statement contained on page 51 of the report by the Railway Board on Indian Railways for 1931-32, Volume I, which gives information regarding the total number of subordinates on scales rising to Rs. 250 per mensem and over on the North Western Railway on the 1st April, 1932. There were 1,005 Indians out of a total of 1,348. Government are not aware how many of these have qualified from the Walton Training School.

(c) An enquiry is being made and a further reply will be placed on the table of the House in due course.

RECKONING OF SENIORITY ON THE NORTH WESTERN RAILWAY.

74. **Mr. S. C. Mitra :** Will Government please state if the Europeans, Anglo-Indians, Christians and Parsees are reckoned as seniors to their Indian colleagues on the North Western Railway on account of the former's high start in pay, and will now give way to the latter for higher appointments ?

Mr. P. R. Rau : Government have no information, but I have sent a copy of the question to the Agent, North Western Railway, for consideration.

CONFIRMATIONS IN THE GRADE OF ASSISTANT STATION MASTERS ON THE NORTH WESTERN RAILWAY.

75. **Mr. S. C. Mitra :** (a) Will Government kindly state how many men of the Station Staff have been confirmed in grade 5 of Assistant Station Masters on the North Western Railway ?

(b) What is the total strength of these officials of each community on the said Railway ?

Mr. P. R. Rau : Government have no information.

DISCRIMINATION IN THE DISTRIBUTION OF QUARTERS ON THE NORTH WESTERN RAILWAY.

76. **Mr. S. C. Mitra :** (a) Is it a fact that the Agent, North Western Railway, under his letter No. 961-E.95, dated the 21st September, 1932, addressed to the General Secretary, North Western Railway Union, Lahore, had declared the policy for distribution of the Railway quarters to the subordinate employees in the following order :

- (i) staff eligible for free quarters or house allowance in lieu thereof ;
- (ii) staff not eligible for free quarters but who, it is considered desirable, should live close to their work ;
- (iii) staff not covered by (i) and (ii) above ?

(b) If the reply to part (a) be in the affirmative, will Government please state whether some Railway Controllers, who are eligible for the

privilege of free quarters, are living at Delhi in houses which are below their cadres, while their colleagues paying house rent have been given a superior class of quarters for residential purposes by the North Western Railway authorities ? If so, under what rules ?

(c) Are Government prepared to order the Agent, North Western Railway, to abolish this sort of discrimination in theory as well as in practice ?

Mr. P. R. Rau : The required information is being obtained from the Railway Administration, and will be laid on the table in due course.

PASSES FOR DEPENDENTS OF EMPLOYEES OF THE NORTH WESTERN RAILWAY.

77. **Mr. S. C. Mitra :** (a) Is it a fact that free passes to dependent relatives of the employees on the North Western Railway under rule 25 of Pass Rule Book of 1928 are admissible to an employee's widow mother, sisters and step-sisters, unmarried or widowed, and not to the employee's son or sons of 18 years and above, who may be more dependent on their fathers on account of the present universal unemployment and trade depression ?

(b) Are Government prepared to see that these pass rules are modified so that the son or sons of the employees are made eligible for free passes upto the age of 25 years ?

Mr. P. R. Rau : (a) Yes.

(b) Government consider that the concession of free passes and the conditions attaching thereto are already sufficiently generous, and do not see reason to extend it further.

FORMATION OF AN INDIAN FORCE WING OF THE ROYAL AIR FORCE.

78. **Mr. S. C. Mitra :** (a) Is it a fact that it has been decided to form an Indian Air Force wing of the Royal Air Force ? If so, when was the decision arrived at and what progress has been made towards it since then ?

(b) Has the First Squadron of Indian Air Force been formed ? If so, when was it formed and how many of its personnel are Indians at present and how many are eventually to be Indians in each of the various trades ?

(c) When is the Second Squadron of the Indian Air Force to be formed and what will be the strength of Indians in its subordinate combatant ranks in the various trades separately ?

(d) When were the rules, etc., for recruitment of subordinate ranks for Indian Air Force issued by Government, and when is it proposed to issue similar rules, etc., for the recruitment of Warrant Officers for the Force ?

Mr. G. R. F. Tottenham : (a) and (b). The decision to form an Indian Air Force was arrived at some years ago, and after the necessary legislation had been passed, the Force, which does not form a part or wing of the Royal Air Force, was constituted on the 8th October, 1932. The present intention is to build up one squadron consisting of three flights, the first of which was formed on the 1st April, 1933.

The following statement shows the establishment of this flight and the number of Indians who belong to it :

General Duties Officers	9
Stores Officer	1
Other ranks	53

NOTE.—Six officers have completed their training in England, two of whom were killed in a recent flying accident. One was diverted to Stores duties and is serving in India as a Stores Officer. Eight cadets are at present under training at the Royal Air Force College and one has recently passed out of the College and is undergoing further training in a Royal Air Force unit in England.

Twenty-two other ranks have been enrolled. Seventeen of these are still being trained in India and five have completed their training.

It is intended that the Flight should eventually consist entirely of Indians.

(c) The question of forming a second squadron has not yet been considered, and must depend on the progress made by the first.

(d) Rules for the recruitment of subordinate ranks were issued in 1931. There is no direct recruitment of Warrant Officers. Vacancies in Warrant ranks will be filled by the promotion of men from the lower ranks.

SELECTION OF PERSONNEL FOR ENROLMENT IN THE COMBATANT RANKS OF THE INDIAN AIR FORCE.

79. **Mr. S. C. Mitra :** (a) When is the next selection of personnel for enrolment in the combatant ranks of Indian Air Force to be made and what is the number of applications so far received and the number of persons to be selected for each trade ?

(b) Are any technical qualifications or workshop training essential for (i) trades involving apprenticeship and (ii) trades not involving apprenticeship ? If so, what particular training or previous qualifications, in addition to general education and knowledge of English, are necessary for each trade ?

(c) Can a candidate be enrolled direct for any of the "trades not involving apprenticeship" without first joining as an "aircraft-hand" ?

(d) Is it a fact that applications for "apprenticeships" have to be made direct to the Royal Air Force Headquarters but for "trades involving apprenticeship" have to be made through Recruiting Officers or Technical Recruiting Officers whose recommendation is considered necessary ? If so, what is the reason for this distinction ?

(e) Will Government please state when and how the final selection of candidates for enrolment in the subordinate combatant ranks of the Indian Air Force is to be made ?

(f) When is the recruitment to be made for enrolment as Warrant Officers and will these ranks be open for promotion to the personnel in the subordinate combatant rank ?

(g) Is there any non-combatant branch also of the Indian Air Force ? If so, what does it consist of ?

Mr. G R F. Tottenham : (a) Selection of personnel for enrolment in the combatant ranks of the Indian Air Force will be made during the next few months. Over 1,000 applications have been received. It is proposed to select about 27 apprentices for trades which involve training, such as :

Blacksmith and Welder,
Coppersmith and Metal Worker,
Electrician,
Wireless Operator Mechanic,
Wireless Operator,
Fitter Aero Engine,
Metal Rigger,
Fitter Armour,
Armourer.

About 13 men will also be required for trades which do not involve apprentice training, such as :

Carpenter,
Photographer.
Storekeeper,
Clerk,
Aircraft-hand.

(b) Candidates for trades involving apprentice training should have received some preliminary technical education at a technical school or college, combined with some practical workshop training. It will be necessary for them to have sufficient knowledge of English to enable them to understand instruction imparted in that language. No preliminary technical or literary education will be required in the case of candidates for trades not involving apprentice training.

(c) No.

(d) Applications for enrolment as apprentices have to be made to Royal Air Force Headquarters. A list of technical schools and colleges which are considered likely to provide individuals with the necessary qualifications has been prepared and candidates from those schools and colleges have to apply through their Principals who have been furnished with full particulars regarding the enrolment of airmen in the Indian Air Force. Candidates for enrolment in trades not involving apprentice training should apply to the nearest Recruiting Officer. This is in order that they may be medically examined, interviewed personally, and reported upon.

(e) It is proposed that those who are recommended as suitable for training as apprentices by the Principals of Technical Colleges should be interviewed by a Board of Royal Air Force Officers.

Personnel for trades not involving apprentice training will be selected on the recommendation of Recruiting Officers.

(f) A reference is invited to the reply given to part (d) of question No. 99.

(g) Yes The non-combatant branch of the Indian Air Force consists of certain technical workshop personnel and followers who are employed as ancillary personnel to Royal Air Force units and the Indian Air Force flight.

DEVICES ADOPTED BY CERTAIN PERSONS TO EVADE THE CHILD MARRIAGE RESTRAINT ACT.

80. **Mr. Bhuput Sing :** (a) With reference to my question regarding breaches of the Sarda Act by persons resorting to Chandarnagore and other places, answered on the 28th August, 1933, will Government be pleased to state whether proper enquiries were made from all places before the answer was given ?

(b) If so, was it verified whether the news published in the *Anrit Bazar Patrika*, *Haldhar* and *Searchlight* on this subject was incorrect ?

(c) If the news be incorrect, what action do Government propose to take against these newspapers for giving currency to false news ?

(d) If the news be correct, what action do Government propose to take against the departmental clerks who are responsible for furnishing these wrong answers in the Assembly ?

The Honourable Sir Harry Haig : The question which the Honourable Member asked, by deputy, on August, 28, 1933, was whether the attention of Government had been drawn to a practice of evading the Sarda Act by resort to Chandarnagore and Indian States for a single day, and my reply was that the attention of Government had not been drawn to this. The reply was accurate I did not say, as the Associated Press report wrongly represented me as saying, that no marriages had been performed in Chandarnagore and Indian States by British Indian subjects to evade the Act, and had the Honourable Member been in his place to ask his question he could have been under no misapprehension as to my reply. If the Honourable Member wishes in future to draw attention to particular newspaper reports and enquire whether they are accurate, I would suggest that he should specify these reports and in accordance with the procedure recently laid down by the Honourable the President forward copies of them to my Department.

THE INDIAN INCOME-TAX (AMENDMENT) BILL.

PRESENTATION OF THE REPORT OF THE COMMITTEE ON PETITIONS.

Mr. Abdul Matin Chaudhury (Mr Deputy President) : Sir, I present the Report of the Committee on Petitions on certain petitions relating to the Bill further to amend the Indian Income-tax Act, 1922.

THE RESERVE BANK OF INDIA BILL

Mr. President (The Honourable Sir Shanmukham Chetty) : The House will now resume consideration of the Reserve Bank Bill.

Sir Leslie Hudson (Bombay : European) : Not only from the speeches which we have heard during this Session but throughout the long discussions in 1927 and 1928, there has been overwhelming argument in

[Sir Leslie Hudson.]

favour of the establishment of a Reserve Bank. The opposition which has been voiced hitherto has been on the narrower issue of procedure in regard to three or four essentials. I would not wish to weary the House with reiteration of the points already made during the present debate except that it is necessary for me briefly to state the views of European commercial opinion in this country. First, as to the necessity of a Reserve Bank. It has already been stated that the Government have, ever since British Government has been organised in India, carried out the necessary functions in regard to the control of currency, employment of funds, revenue and so on from Central, Provincial, Railway and cognate sources, loans and the service of those loans and a host of other financial responsibilities which are in reality the duty and responsibility of a Reserve Bank. Such a bank would have a permanent and expert staff, instead of the position at present of a department of Government of which the personnel, however competent, may be transitional and which cannot have the opportunity of close contact with the money and other markets of the country. It has been asked why the Imperial Bank could not be extended in its scope in order to take on the functions with which it is proposed to invest the Reserve Bank. I give the House one reason which is simple and will be appreciated by all Members, namely, that the Imperial Bank is itself a competitor for business, such as re-discounting, which it is intended that the Reserve Bank should undertake and the Imperial Bank therefore would not command the confidence as a Banker's bank which an entirely independent Reserve Bank would do. I spoke of three or four points on which there is still a difference of opinion. The first is whether it should be a State or a Shareholders' Bank. This has been argued by almost every speaker so far and it has been discussed *ad nauseam* for the last five or six years. The report of the London Committee goes against a State Bank and I am prepared to agree with that view. At the same time I consider that the suggestion which has been made that a proviso should be inserted in the Bill enabling the State to buy out the proprietors at the expiry of a stated period at a stated price might reasonably be very closely considered. This of course would entail a revision of the present arrangements for the appointment of the directorate, a revision which should first and foremost recognise the *sine qua non* that the Bank must be entirely removed from political interference and influence. At the International Financial Conference held at Geneva and Brussels in 1920 and 1922, it was recommended that Banks and especially Banks of Issue should be free from political pressure and should be conducted solely on the lines of prudent finance.

The next important point which has been referred to by most speakers is the Ratio. Here I am in very considerable agreement with both my colleagues from Bombay who spoke yesterday and who pointed out the impossibility, without risking inevitable chaos, of even considering the operation of the present ratio until the present uncertain conditions of the world's currencies and monetary problems are clarified and stabilised. Secondly, tied to sterling, the rupee, on its present basis, has the undoubted benefit of the wide sterling field and the stability of sterling backed as it is by the triumphantly re-established credit of His Majesty's Government. In addition I would refer to the Resolution of Empire delegates to the recent Economic Conference regarding cur-

rency stability within the Empire. Whatever may be the arguments in favour of altering the ratio, to do so at the present time, when what was before the war a strong and steady stream of exchange throughout the world is now a whirlpool of conflicting elements, and where a false step might easily mean financial destruction, would merely be to court disaster. Let the ratio wait until the current of that stream is clear, stable and smooth again and then weigh up the pros and cons and trust your Reserve Bank to give that advice to the Government which will enable it to fix the ratio at a point which will be for the benefit of the trade and commerce of India and for the benefit of the people of India. The main requirement of the present, and, indeed, of any time is a stable exchange and, with your permission, Sir, I would read an extract from the text of the joint statement on monetary policy issued by the Delegations from the leading countries of the British Empire to the World Conference. The statement was signed by Mr. Neville Chamberlain, Mr. R. B. Bennett of Canada, Mr. S. M. Bruce of Australia, Mr. G. W. Forbes of New Zealand, General J. C. Smuts of South Africa and Sir Henry Strakosch on behalf of India. The statement runs thus :

“ The undersigned delegations now re-affirm their view that the ultimate aim of monetary policy should be the restoration of a satisfactory international gold standard under which international co-operation would be secured and maintained with a view to avoiding, so far as may be found practicable, undue fluctuations in the purchasing power of gold. The problem with which the world is faced is to reconcile the stability of exchange rates with a reasonable measure of stability, not merely in the price level of a particular country, but in world prices. Effective action in this matter must largely depend on international co-operation, and in any further sessions of the World Economic and Monetary Conference this subject must have special prominence.

In the meantime the undersigned delegations recognise the importance of stability of exchange rates between the countries of the Empire in the interests of trade. This objective will be constantly kept in mind in determining their monetary policy, and its achievement will be aided by the pursuit of a common policy of raising price levels. Inter Imperial stability of exchange rates is facilitated by the fact that the United Kingdom Government has no commitments to other countries as regards the future management of sterling and retains complete freedom of action in this respect. The adherence of other countries to a policy on similar lines would make possible the attainment and maintenance of exchange stability over a still wider area.”

The question of the Directorate has been raised on several occasions. I am inclined to agree with Mr. Mody that the Directorate should include representatives of the leading commercial bodies as being the best method of ensuring the presence on the Board of Directors of the highest commercial and financial qualifications. Sir, there were several other points made by other speakers and I think most of them, in fact, all of them can be dealt with in the Select Committee. There are just one or two points which I would like to touch upon before I sit down.

The question of the location of the Head Office of the Reserve Bank. It is laid down under clause 6 that the Head Office shall be in Bombay and that the meetings of the Board should be convened at least six times in the year, of which two meetings should be held in Calcutta. It is the opinion of some of this Group that the Head Office should perambulate in the same way as the Imperial Bank does. That is to say, the Head Office should be for five months in Bombay, six months in Calcutta, a fortnight in Madras and a fortnight in Delhi. That, again, is a matter which can be adequately considered in the Select Committee.

[Sir Leslie Hudson.]

Then, I would briefly refer to the clause in which the Bill exempts Directors of Co-operative Banks from the restriction that Directors and employees of other Banks shall not be Directors of the Reserve Bank. I do not yet see why this differentiation should be made. The abilities can be no greater in a Co-operated Bank Director and the disabilities are precisely the same so far as I can see.

Finally, Sir, I would pay tribute to the financial genius of the present Finance Member and also to his predecessor, Sir Basil Blackett, both of whom have laboured and, let us hope, not in vain to evolve a measure which, in spite of differences over details, commands the approval of everybody whose opinion is worthwhile in India. Also to His Majesty's Government who have given their approval to this Bill in spite of, so it is whispered, what was very strong opposition from the City of London. Now, Sir, I would emphasise once more that time is the essence of the contract and I would ask this House to get on with the business and let the Bill go to the Select Committee. Circulation can do no further good. The London Committee have reported favourably on the Bill and the Bill has been before the public of this country ever since the Currency Commission of 1926, and Sir Basil Blackett's Bill of 1928. It is part of the constitutional scheme for India's self-government—one of the pre-requisites for responsible government—and it is designed to place in India's hands India's financial control.

Mr. K. P. Thampan (West Coast and Nilgiris : Non-Muhammadian Rural) : Mr. President, I welcome the proposal for a Reserve Bank as a measure for the better management and control of credit and currency and for the economic welfare of this country. But if the objective of the Government is to make this a measure for the further exploitation of this country by Great Britain, then I will not be a party to it. Sir, to be frank, I must say that there is a suspicion in the country that the object of the Government, in introducing this measure, is to forge another link in the chain by which Great Britain might bind this country and make it under subjection for all times to come. At the time when further political reforms are proposed to be given to this country, the fact that the Finance Minister does not at all come into the picture of a Reserve Bank makes us believe that perhaps there may be an element of truth in that suspicion. What I would suggest, therefore, is that instead of the Governor General in Council now, and the Governor General at his discretion afterwards, the Finance Member now and the Finance Minister, when the reforms are introduced, must be made the authority to recommend to the Governor General all the appointments made under this Bill. Then only the opinion of the people affected can control and prevail in the policy of the Reserve Bank. The Bill has to undergo radical alterations and, therefore, I must say that my support to this Bill will depend upon the shape that this Bill will take when it emerges from the Select Committee. But, in the meantime, it will be only proper if I venture to make certain suggestions with regard to the several issues involved in the Bill. I will confine myself for the present to the main issues alone and leave the details to be discussed at a later stage.

The question as to whether it should be a Shareholders' Bank or a State Bank has been discussed in detail and I do not propose to

advert to it. But I will only say that the Joint Committee of 1927, composing as it did of several financial experts and patriots of this country, men like Sir Purshotandas Thakurdas, Pandit Madan Mohan Malaviya, Lala Lajpat Rai, Mr. Birla, Mr. Jamanadas Mehta and last, but not least in importance, your good self, all these experts examined the question in detail and came to the deliberate conclusion that it should be a State Bank; but it has been summarily brushed aside and a Shareholders' Bank is substituted in its place. The Government in 1927 acquiesced in a State Bank, and the Banking Enquiry Committee put forward their proposals on that basis. If they thought that the Reserve Bank which was to be constituted ought to be a Shareholders' Bank, they would have considered that aspect of the question and dealt with it in their Report. Therefore, it is up to the members of the Committee that met in London to satisfy us under what altered conditions and new circumstances they approved of a Shareholders' Bank in place of a State Bank, and, unless those facts are forthcoming, we are not prepared to accept their proposal. The country stands by the decision of the Joint Committee of 1927. Another difficulty is that we have been supplied only with a copy of the report of the Committee; their discussions have been withheld. We are at a loss to know what grounds might have actuated them to come to a conclusion of that kind. There are diverse conflicting interests in this country which I need not refer to now and, under such circumstances my own opinion is that a State Bank would be more suitable to the country. I would, therefore, request the House that in sending this Bill to the Select Committee, it must be insisted upon that the whole question may be kept an open one for the Select Committee to decide. In this connection I wish to say that I had an informal talk with the Honourable Sir George Schuster on this subject and he only said that he might be trusted to give a generous consideration, but would not commit himself just at that stage. I wish to repeat once again that the question whether it should be a State Bank or a Shareholders' Bank should be entirely left open for the Select Committee to decide. The Honourable the Finance Member, in his opening speech, said that in moving this motion he was only following what his predecessor in 1927 did, namely, that it is to a Joint Select Committee of both Houses that this Bill was going to be referred to. What I say is that he should follow the example of 1927 in its entirety and leave it to the Joint Committee as before to decide whether it should be a State Bank or a Shareholders' Bank. If, however, it is decided to have a Shareholders' Bank, every endeavour should be made to guarantee that the Bank is not controlled by interested groups, particularly by the mercantile community of Great Britain who have come down to do business here. It was said that a Reserve Bank of this kind should be free from political and other influences. I am not as much afraid of the Indian political influence as of the British political and mercantile influences against which there is no proper safeguard.

Sir, I would, while on this point, venture to make, if I may, a few suggestions to ensure freedom from all kinds of influences. It is proposed that each share of the Bank should be of the value of Rs. 500. It is too large and should be reduced to Rs. 100 and then only the middle classes and the poor people can subscribe to it. If it is of a high value like Rs. 500, the chances are that rich men and big merchants and registered companies

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alone will be able to subscribe to it. If the Bank should be a popular one and, if the popular voice should have any controlling influence in the affairs of the Bank, then the share value should be reduced to Rs. 100. I would recommend that it might be more advantageously reduced to Rs. 50. There is the precedent of 1928 to adopt wherein the value of the shares was only Rs. 100. Another thing about which I am very particular is that only Indian nationals, including Englishmen and other British subjects who are permanently residing in this country, should be allowed to subscribe for it. I do not like the idea that Europeans, who come here as birds of passage and for the purpose of making money, should have anything to do with it. I went through the constitution of the Reserve Banks of several countries and I find that in most of them it is specifically provided that every subscriber should be their own nationals. Why should we not follow their example? In this connection I might refer to the history of the National Bank of India. It was started in Calcutta with a rupee capital and, subsequently, the capital was converted into sterling. Though it is called the National Bank of India, I really do not know whether there are any subscribers, who are Indian nationals, in it. To a Japanese or Frenchman or any foreigner, who comes to India, it would appear as if the National Bank is a purely Indian national concern, but it is hardly so. It is only a misnomer. What I mean to say is that the Reserve Bank should not, though named the Reserve Bank of India, be a Bank controlled by foreigners in this country. It is indeed a very good thing that some attempt has been made to keep the Bank free from the influence of interested groups. The proposal of keeping regional registers has been made with this end in view; but unless it is provided that transfers from one register to another should be restricted and a minimum to the inhabitants of the locality is prescribed, the very purpose for which it has been provided would be nullified. A man living in Bombay might purchase a very large number of shares in Madras. There is nothing to protect the shares that are assigned to a province like Madras for instance from being held completely by Bombay people. To avoid a contingency like that, a minimum should be prescribed for the inhabitants of the locality concerned. Without that, it will not be of any use. My friend, Sir Leslie Hudson, said that like the Imperial Bank of India the Governors' office should not be permanently located in Bombay, but shifted in certain months to Calcutta, Madras and other places in rotation. That is an excellent idea and, I think, even if it is not taken to Madras and Rangoon, it must be held, as is done by the Imperial Bank now, in certain months in Calcutta. The fear is that if it is held permanently in Bombay, the Bombay magnates will have the upper hand over the destinies of the Bank.

As regards the Governors, you might remember, Sir, that in the last Bill it was provided that one of them should be an Indian. There is no provision like that in the present Bill. Government had agreed to that and it was a surprise to me that they have gone back on that arrangement.

Sir, with regard to the constitution of the Central Board, the appointment of four Directors to be nominated by the Governor General should be, as I said a little while ago, on the recommendation of the Finance Member at present and after the Constitution Act comes into being by the Finance Minister. I am very anxious that the nominations to the Board should

not be like the nominations that are now being made to the Imperial Bank. Reference was made yesterday to the appointment of old men like Sir Dinshaw Wacha and other people. However estimable they may be, it can't be denied that they are old. It was said that the average age of the Directors of the Imperial Bank was something like 72 years. If a High Court Judge or any other Government servant has to retire in his 60th year, I do not see any reason why that principle should not be extended to responsible institutions like the Directorate of the Reserve Bank. In this connection I might point out that it is provided that people who are connected with any incorporated Bank or people who are connected with agriculture, commerce or any such business alone should be appointed as Directors. Sir, there are many eminent men in other fields as well. There are competent journalists, distinguished economists and professors in universities, who can do useful work on the Directorate. Nobody would object to a man like Sir Stanley Reed, for instance, who was editor of the *Times of India*, being appointed a Director. There are distinguished university professors, men like Dr. Mathai, the President of the Tariff Board, who would be an ornament to a Board of this kind. So I suggest that it should not be restricted to people who have had experience in banking, agriculture and commerce alone.

Then, Sir, the strength of Directors should be increased slightly. There ought to be one more to all the regions than is provided for at present, that is, instead of two for Bombay, I should have three, similarly for Calcutta also three. That is, one more for every province and, in addition to these, two from the provincial co-operative banks. In the Bill of 1928, it was provided that co-operative banks could elect two Directors. That provision has been deleted now. It is absolutely necessary that two Directors at least should be recruited from the provincial co-operative banks. Unless the Directorate is enlarged on these lines, it would not be possible to keep the balance even among all the conflicting interests that are bound to crop up in its working. That is the reason for making this suggestion. Then, as regards its election also, I would suggest that the local shareholders ought to elect a panel of 28 people, so that the Governor General, on the advice of the Minister, might select 14 from among these 28. That would have a wholesome result and the right kind of men could be ensured. I would also suggest that including the Governor not more than four should be Europeans or non-Indians. The fear is that otherwise, it would be an institution like the Imperial Bank. Instances are not wanting where the Imperial Bank has gone out of its way to assist European clients and done deliberate harm to Indians. It is not my purpose here to condemn the policy, the discriminative policy, of the Imperial Bank. All the same it is better to ensure that the Reserve Bank is always kept above such charges and should look to the interests of our nationals more than the interests of the foreign settlers in this country. The tenure of these Directors is contemplated to be made five years. I went through the constitution of several Banks and, except in one or two, I did not find such a long tenure provided in them. Three years must be ample. In the Bank of England, it is only one year, but in the conditions obtaining in India, it might be advantageously made three years. A longer period than three years will be harmful. Another thing to which I attach great importance in connection with the constitution is that the first board constituted by the Governor General under section 15 should exist only till the allotment of shares and the election of the local boards are over when it should be dis-

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solved. The elected Board must begin to function immediately after that. The idea is that there is a tendency among our people to stick to their offices and keep out other deserving people from entering their portals. The point will be brought home if I refer you to the instance of a Company Managing Director in the U. P. or some other neighbouring province who installed his wife in his place when he was appointed a Minister in that Province. That is a contingency that should be avoided.

12 Noon.

Another point of equal importance with reference to the constitution that I should like to insist on is that every shareholder, whatever number of shares he may hold, should have only one vote and not more than that. Then the manipulations that are now prevalent in the election of Directors could be avoided. In dealing with this aspect, I am anxious that a specific provision should be made in the Bill to enable the Government to purchase the shares at a fixed price after some time. That is done with regard to the railways; and I do not see why, as long as the State guarantees and gives advantages to the Bank, a provision like that should not be made. When the Bank expects help from the State, it is only proper that the agreement should be reciprocal and mutual. If some of my suggestions are adopted, I venture to hope that the evils feared may, to a large extent, be mitigated. That is all I have to say with regard to the constitution.

Let me now deal with the other main issues that arise on this Bill without going into the details. I will first deal with the standard of currency. With regard to current ratio, you will agree with me, Sir, that there has been such an outcry in the country, and it is no use shutting our eyes to it, that it is being bled white on account of the ratio policy of the Government; and I do not see why this opportunity should not be availed of to thresh out the whole question. I might also say that the Government have not discharged their duty by this country in allowing so much gold to leave the shores of India. That question has been raised several times in this Assembly, and it will bear any amount of repetition. The Government should have taken steps to strengthen their reserve instead of allowing such large quantities of gold to be exported. Government could have easily purchased at least a large portion of it and issued currency notes thereagainst.

Another aspect of vital importance and one of legitimate grievance is that in spite of the fact that in most countries the internal prices of primary commodities have been increased by depreciation of currency and other means, in this country the prices are still going down and the Government are sleeping. I refer particularly to the price of cocoanuts, paddy and pepper, the principal commodities with which I am concerned as these are the main products of my district, the prices of which have gone down considerably, by more than 60 per cent. since 1931. All countries have taken steps to increase the internal prices after they went off the gold standard and the dominions also have done it. It is unfortunately in India alone that that is not done. It is up to the Finance Member not only to explain the attitude of the Government in this matter, but also to do his level best to see that the internal prices are raised without any more delay.

With regard to the unsatisfactory character of the ratio, I make bold to challenge Sir George Schuster, the Finance Member, to deny this if he

can : between March and September, 1931, when they were getting gold from the public at the lower point, that is the level at which they should be selling gold, the ratio ceased to function properly. The ratio automatically receded from the parity of 1s. 6d. to a parity of 1s. 5½d. I ask, if it did not. The exchange is a matter into which the public at large are not allowed to have a peep. In this connection, I wish to read a sentence from "The Monetary Problems of India" by L. C. Jain : at page 47, he says, speaking about the gold value :

" Since August, 1931, the British people themselves have not been allowed to know on what principles sterling is controlled. The maintenance of a sterling exchange standard therefore means that Indian currency is under the arbitrary control of unknown men in no way responsible to India, who do not even condescend to make any statement about their intentions with regard to its future purchasing power or gold value. This is not a situation with which India can be content."

I cannot improve upon that. The situation is very serious and I venture to suggest to the Government with all the emphasis I can command that an expert Committee, with a personnel that will inspire confidence to find out the true facts of the ratio in relation to the Resolutions passed at Ottawa on monetary matters and repeated at a Conference of Empire delegates of the World Economic Conference with a view to raising internal prices, be appointed immediately. Sir, the Honourable the Finance Minister can do it if only he cares. When I read the minute submitted by Sir George Schuster to the Monetary Conference at Ottawa, which, I dare say, you have read, I thought it was written by a nationalist of nationalists in this country. Sir George Schuster has eaten the salt of this country for some time, and I must say he acquitted himself loyally. I was agreeably surprised that an Englishman should have written that minute. It was all in our favour and it is up to him to continue that mentality under which he wrote that minute so long as he is in charge of the finances of this country.

As regards the issue of currency, I have to say a few words. It must be borne in mind that there are two kinds of currency notes in this country: One, of paper, and the other, of silver. Silver contained in one rupee is worth only five annas intrinsically. The paper currency comes to about 180 crores, and from a modest estimate of silver,—it was estimated to be about 400 crores or so, but, I am told large amounts have come back to the Treasury after 1927,—it will not be very wrong to estimate the silver currency or rupees with the public at 200 crores, and one can easily understand, if a fair portion of it comes back to the Treasury, what a huge loss Government will have to face. Therefore, Sir, due provision to cover that must also be thought of in regard to the reserve to be maintained.

The rupee redemption fund, inaugurated on the recommendation of the Hilton Young Committee, is now proposed to be done away with, and so it is all the more necessary that Government should strengthen the gold resources of the country. I would, therefore, suggest, Sir, that 35 crores, which is contemplated to be kept in gold under this Bill, is too low and it ought to be increased to 70 crores at least. That is the minimum I would suggest. Sir, when I read the Report of the London Committee, particularly paragraphs 23 and 24, I was simply amused. In paragraph 24, they say that :

" There is, moreover, a further argument that gold carries no interest, and any undue proportion of gold holdings would unjustifiably reduce the Bank's profits and so impose indirectly an unnecessary burden on the Indian taxpayer."

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I can understand, Sir, English financiers. who abetted the flight of 150 crores worth of gold, becoming a party to such a statement, but there are several respectable Indians, some of whom are Members of this House, who are parties to such a statement.....

Mr. B. Das (ORISSA DIVISION : Non-Muhammadian) : But what can you expect from Modies and Cowasji Jehangirs ?

Mr. K. P. Thampan : Modies and Cowasjis are as much Indians as my friend Mr. Das, and myself are.

Mr. B. Das : But they have vested interests

Mr. K. P. Thampan : Sir, in England they have taken every care to accumulate the gold reserves. Gold in the Bank of England today is more than 170 millions. I believe, Sir, I am right in saying that it was only 120 millions or so two years ago, but since then they have increased the gold holding by 50 or 60 millions, and in the Treasury also, out of the 250 million exchange equalisation fund, a good proportion must be in gold alone. The details of this are confidential and not known to any one. On the whole, England has enormous quantities of gold in stock now. That is all to their good, I don't deny it, but my point is, why should not our Government also adopt the same principle, so far as India is concerned. If keeping or hoarding a large quantity of gold will only prevent the owner from getting interest, why should England forsake interest on all these large holdings of gold ? What is sauce for the goose must be sauce for the gander as well. I am reminded of a story of a Malabar Karnavan. The head of the tharwad or a joint family, who wields absolute control over the other members of the family, one morning found a junior member of his family eating a cucumber. He said : " My dear fellow, why do you eat the cucumber, you cannot digest it, give it to me", and so saying he took away the cucumber from him and ate it himself. Similarly, we are told by Englishmen : " Gold is not good for India, it is good only for us, come along and present it to us, you don't want it, because it is not good for you. Keep sterling securities, it will fetch interest". (Laughter.) That is a mentality, Sir, of which one ought to be ashamed.

Then, Sir, another point I have to urge is that sterling securities in the reserve should be the minimum that is absolutely necessary, and they should be confined to sterling securities of England alone. It is provided in the Bill that securities of all sterling countries may be purchased by the Bank. May I say a word about the loans raised by Australia and Ireland ? Last year, Sir, Honourable Members will probably remember, Mr. Lang repudiated the loan which Australia owed to England, and Ireland also similarly repudiated the loan which was advanced to her for purchase of land for the Irish peasants. Therefore, who knows what other sterling securities other than of Great Britain will not be repudiated in the future and where is the safety in them ? It is better to avoid them. My point is that sterling securities of Britain alone should be purchased by the Reserve Bank and of no other country. I would not allow even the sterling securities of Britain but for the fact that we have to remit every year more than 30 million sterling to England by way of interest, pay and pensions, and the large dealings of the commercial people in British sterling. Therefore, it should be specifically provided that sterling securities of countries other than that of Britain should not be handled by this Reserve Bank. The

death knell of any form of exchange standard in Europe was rung when, on the 21st September, 1931, countries like Holland, Belgium and Switzerland found that in their greed to earn $1\frac{1}{2}$ per cent. in interest they lost about 25 per cent. in the principal. Therefore, care should be taken to avoid such mistakes. That is all I have to say on that

Now, Sir, with your indulgence, I shall briefly advert for a moment to the question of contract with the Imperial Bank. Sufficient has been said already, but I think it will bear a little more repetition, and if I am not becoming tiresome, I should like to say this. When the last Reserve Bank Bill was introduced in this House, the term of contract with the Imperial Bank was not over, there were still three more years to run, and it was only proper that, if, before the expiration of the period of the contract, we had to cancel the contract, sufficient compensation ought to have been given to them. That situation no longer exists, the contract is now over, and there is neither a moral nor a legal claim for this special treatment proposed to be given to the Imperial Bank. Already they have derived tremendous benefits and advantages on account of the large reserves which Government kept with them, and it is entirely on account of, and, with the assistance of, such huge sums of Government money that they have been able to build such a substantial reserve for that Bank. Sir, I hold that the Imperial Bank have no claim whatever for special treatment and should be dealt with on the same terms as the other Banks of this country. Another reason advanced was that, out of the several branches that were started by the Imperial Bank according to the terms of the agreement, some were not paying. They said categorically that most of those branches would begin to pay after the year 1930. That time is also over. We are now in the year of grace, 1933, and there is no reason why an argument like that should weigh with us. The Imperial Bank has had several restrictions imposed on it by Statute with regard to its dealings, and when those restrictions and limitations are removed, as is contemplated by the Amending Bill, it will become a formidable rival to all indigenous Banks in this country, and if it chooses to do so, it can crush any business. I would, therefore, suggest that that Bank should be left alone. Of course, it can be appointed as an agent of the Reserve Bank, provided it can compete on level terms with the other indigenous banks. So far as the agency is concerned, I would suggest that the Reserve Bank should invite tenders from all indigenous banks that satisfy certain criteria, and then appoint them as agents. If any particular bank satisfies the conditions that the Reserve Bank imposes for that work, and undertakes to transact the work on a minimum commission, then there is no reason why that bank should not be appointed as the agent for the area it operates. The very fact that a particular bank is an agent of the Reserve Bank goes a long way to inspire confidence in the bank amongst the public. Why should not Government give such help and patronage to all banks? Then only the banking system can be fostered and will take deep root in the villages and other remote places. It is provided that all those banks, mentioned in the Schedule, should keep with the Reserve Bank a percentage of their deposits. I do not understand why it should be made obligatory on all banks. There are certain banks that might not want rediscounting facilities. That is the only help that is proposed to be given to these banks. Suppose, for instance, the Nedungadi Bank, in my part of the country, does not want any kind of rediscounting facilities. What is the compensating benefit that it gets by being forced to keep a few lakhs in the Reserve Bank? It loses interest, and how is the bank or the share-

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holders benefited? But if the Government will provide a machinery as recommended in the Banking Enquiry Committee's report for the check and scrutiny of the banks embraced in the reserve system, that will be another matter. Unless some thing of that kind is provided which will inspire confidence among its shareholders that the bank is looked after properly by the Reserve Bank and that it is functioning properly, this obligatory deposit would be a penalty and burden on those banks. It would be a real hindrance to the working of small banks. I would, therefore, request the Select Committee that due consideration is given before the proposal is adopted universally for all banks.

Let me refer to one more point; it is with regard to keeping the banking department and the issue department separate. It is said by those who are competent to pronounce an opinion on this that this method is old, very inelastic and obsolete. In this connection I would invite the attention of the House to a paragraph written by the *Economist* of London in a recent issue. In the course of a large article criticising the proposals for the setting up of a Reserve Bank for India, it says:

"The Committee, however, has followed the analogy of the Bank of England, not merely by recommending a shareholders' bank, but in proposing, somewhat pedantically, the separation of the Issue Department from the Banking Department. It is difficult to see that anything is gained by reproducing in India a British tradition of 100 years ago which has never had anything much to recommend it, and is quite out of touch with modern central banking constitutions."

The Macmillan Committee, which was appointed in England to enquire into the finance and industry of that country, at page 143, paragraph 331, of their Report, say:

"The only solid reason, apart from the advantages of continuity and the dislike of changing ancient forms, has been of a different character, namely, that the separation of the Issue Department has provided a convenient formula for dividing the profits of the Bank of England between the Treasury and the Bank itself. This division might of course have been made in a different way and is so made in other countries."

Further on, they say:

"If, however, it is desirable to calculate the Treasury's share of the profits in this way, it is not necessary to have the paraphernalia of the Issue Department for the purpose. The same formula could be used without a separation of the departments."

In paragraph 335, the Committee say:

".....the separation of the Departments has not, in our opinion, led to a satisfactory formula for fixing the Bank's payment to the Treasury."

In paragraph 338, they give a form of schedule, for the publication of the Bank's Statements, which would satisfy all the conditions they think sufficient for the purpose. I do not understand why advantage should not be taken of the findings of the Macmillan Committee, not only in this respect but also in other respects, if their proposals will not conflict with the conditions of this country.

I find in the present proposals that the branch of the Reserve Bank in London which was provided for in the last Bill is now proposed to be dropped. I suggest that the London branch should be maintained. I may be told in reply that all central banks have their dealings in other countries only through their respective central banks, that, for instance, the Central Bank of France or the Bank of Belgium or the Netherland Bank has no agency in London. But the relations between India and England stand

altogether on a different footing, and the position of India is unique. Unlike those countries we have got to make enormous remittances to England and a nominal percentage on the total amount would be a large fabulous amount. Economically also it would be better to keep a branch there. But there is another aspect which is more important. I am afraid that if the agency is entrusted to the Bank of England, the dominance of that Bank over the destinies of India will be very difficult to get over. The Bank of England is naturally bound to act only in the interests of Great Britain and not in our interest. Recent instances have proved it. So, we must avoid contact of this kind with the Bank of England. It is said that the Reserve Bank will have reciprocal arrangements with the Bank of England. It really sounds grand. What are those reciprocal arrangements? I do not know whether the Reserve Bank, as the agent of the Bank of England, will be able to derive a profit of even one pie in a year. At any rate, there would be vast difference between the commission that the Bank of England might get as the agent of the Reserve Bank of India and that got by the Reserve Bank of India as the agent of the Bank of England in this country. As long as India is a dependency of Great Britain and until and unless Dominion Status with economic independence is given to this country, it is better to keep our own branch in London.

These are, Sir, the main points that I wished to urge before this House, but, before I sit down, I would like to say a word or two about the Joint Committee which is proposed to be constituted. There is a specific amendment on the Agenda to the effect that members who have attended the London Committee should be excluded. I myself had an idea of moving an amendment like that. They have had already their say in the matter and there is Sir George Schuster in the Committee to put forward their viewpoint. After all, we are going to have only 24 members in the Committee. Half of it will go to the Council of State. There will be thus only 12 from this House. If all the seven people, who were on the London Committee, get seats there, the new Members from the House will be only five and they will not be able to carry their point when the question of voting comes. I know it is entirely in the hands of the several Parties, but I must say, I am very anxious that those people who went to London should be excluded.

Mr. B. Das : Except Sir George Schuster.

Mr. K. P. Thampan : Of course he has to be there. Without the Prince of Denmark, there can be no play of Hamlet. Sir, let me warn the members of the Select Committee that the country is looking forward eagerly as to how they acquit themselves in this crucial matter. It is, I need hardly say, a matter of vital importance to the economic welfare of this country, a matter of life and death to every one of us. On the results of their deliberations and conclusions will depend the prosperity and welfare of the 350 millions of this land.

Mr. R. S. Sarma (Nominated Non-Official) : Sir, fools rush in where angels fear to tread. (Ironical Cheers.) In spite of the ironical cheers, I am not immodest enough not to appreciate that I find myself in that position today, but my friends will soon hear the reason why I have been emboldened to intervene in this debate and to put before this House one or two points of view. It is the boldness that I have acquired from a remembrance of the tragic difference between the conditions when the stage was set for a discussion of this character in 1927 and what they

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are today, the tragic difference between the gigantic financial brains that took part in those days in this discussion and those who have been taking part in it for the last two days, between the lively character and the excitement that debate generated and the dull and uninspiring manner in which the discussion has been going on and the lack of interest displayed in this debate as evidenced by the thinness of the non-official Benches during the debate on a question which Mr. Thampan just now characterised as a matter of life and death to the nation.

Sir, from the trend of the debates that has been going on for the last two days, it is obvious that there is some sort of unanimity of agreement and concurrence on the main outlines of this Bill which Sir George Schuster introduced in this House. Of course, Sir, there have been differences of opinion regarding the details of this Bill. It is noteworthy, Mr. President, that the Parliamentary Paper shows ample evidence of a great amount of unanimity at the London Conference, which, I want this House to remember, consisted of a financial pandit, a man who is acclaimed as the fittest man to be the first Financial Minister under the Swaraj Government, Sir Purshotamdas Thakurdas, the Chairman of the Board of Directors of the premier Indian Bank, of which India is proud, the Central Bank of India, Sir Phiroze Sethna, the Editor of the best Nationalist and the most Swarajist Indian paper in this country, Mr. A. Rangaswami Iyengar. I want the House to remember that these gentlemen attended the Conference and signed the report.

Sir, the main attack on this Bill has been from the point of view that it is a Shareholders' Bank. When we buy Ford motor cars, we all know that the spare parts we get are all of standard specifications. Therefore, when we are going to establish a Reserve Bank, we have got, so to say, standard specifications available and, from that point of view, I will put a few questions to those critics who have been against the shareholders' scheme during the last two days. Is it or is it not a fact that the Bank of England is a Shareholders' Bank? What about the Federal Bank of the United States? What about the Bank of France, the Bank of Netherlands? Some of my friends may say that there are other banks which are State Banks. To them I would say that these countries are already contemplating the change from a State Bank to a Shareholders' Bank. This is the condition prevailing all over the world and I do not understand why India alone should launch on a new and novel experiment of a State Bank. With regard to the abuses that have been pointed out about the Shareholders' Bank, has not this Bill provided against such abuses by means of provisions intended to check such abuses and prevent a caucus from getting control of this institution? Is it not also significant that people like Sir Purshotamdas Thakurdas and Mr. A. Rangaswami Iyengar, who were in favour of a State Bank in 1927, are now warm supporters of a shareholders' concern? Is it not also significant that the people who initiated the agitation in 1927 for a State Bank should also be warm supporters of a Shareholders' Bank? When that is so, why should we not send this Bill to the Select Committee and get whatever improvements we want from the popular point of view? In this connection, a most fruitful suggestion has been given to the Members of this House who have had the benefit of listening to a very brilliant and illuminating address by the Editor of *Finance* given two days ago. Government should introduce a provision taking power

to purchase the shares at a price specified from now, if it is found at the end of 10 or 15 years that there are abuses in a Shareholders' Bank. That ought to dispel all fears.

Mr. B. Das : Did you understand that speech of the Editor of *Finance* ? He was for a State Bank.

Mr. R. S. Sarma : I am not dealing with the other portions of his speech except the one where he dealt on this point. We have come to a stage when we have got to realise that Government want a Shareholders' Bank and nothing is going to change that. When we are faced with that necessary evil, what is the best compromise between Government and the popular side ? If, in the next 10 or 15 years, it is found that the Shareholders' Bank lends itself to abuses, Government can exercise their option to buy up the shares and convert it into a State Bank, but, if on the other hand, it is going to be a good concern and if it goes to be a confidence inspiring institution, then the Government may not exercise that option. The Government can easily provide a clause like that and it will be in keeping with the provisions contained in similar agreements. It is not a novel procedure at all. A clause like that is inserted in all the agreements between Government and the railway. I place this suggestion, Sir, before the Finance Member for his acceptance.

Sir, there is another thing to which I should like to refer. It is the criticism that has been levelled against the Imperial Bank. My friend, Sir Kenneth MacDonald, who had been a silent spectator, must have been tremendously amused at the criticisms and the heaps of abuses that were showered on him when Mr. Vidya Sagar Pandya and Dr. Ziauddin Ahmad criticised his policy. Dr. Ziauddin Ahmad made a very novel complaint against the Imperial Bank of India when he said that it did not give money on land securities and buildings and things of that kind. From the mere point of view of the question of banking, I do not think anything more absurd was ever put forward.

Mr. B. Das : Do you borrow money from the Imperial Bank ?

Mr. R. S. Sarma : I have never done that. I have always had an honest living. I have never indented on any Party, on any Raja, on any Maharaja or on any other person for my trips either to England or to Simla or for doing my public business, like my friend, Mr. Das.

Mr. B. Das : Do you aspire to be a Governor of the Imperial Bank ?

Mr. R. S. Sarma : No, Sir ; I have no such ambition at all. To go back to my point. Do we find in England banks advancing money on land securities ? If my friend, Dr. Ziauddin Ahmad, wants money on land securities, he must bring a motion in this House for a land mortgage bank and he will find great support for his proposition in this House.

Secondly, with regard to the Directorate. Does my friend realise that even now, I think, I am safe in saying, 50 per cent. of the Directorates of the Local Boards are Indians and even today two out of the three boards have got Indians as their Chairmen ? Does he realise that the last annual meeting of the Imperial Bank of India was presided over by an eminent businessman, Rai Bahadur Badridas Goenka ? With regard to the question of the Indianisation, so far as I remember, I think Mr. Bunbury, presiding over the Imperial Bank annual meeting year before last, made it plain that they are resolved not to have any more

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recruits from England, and, for the last four years, all appointments have been made here. I have no brief for the Imperial Bank, but as there are certain misgivings about it, I thought I could correct them to the extent to which I have knowledge of the affairs of that Bank. From that I should not be understood to mean that the agreement which the Imperial Bank should have with the Reserve Bank should be of the same character as it was in 1927. Things have changed enormously since then, and, therefore, any agreement that the Reserve Bank should have with the Imperial Bank ought to be changed in the light of the new circumstances that have now arisen.

Sir, I have nothing more to say except a word or two on behalf of the party I have the honour to lead at the moment. The Central Party always stands for conciliation and a policy of Responsive Co-operation. We have never been the followers of a policy of abject servitude to Government or blind obstruction for obstruction's sake. Believing in that policy, our Party has decided unanimously that we must let the Bill go to the Select Committee and that it is no use accepting the motion for circulation. At the same time, we do ask Government and appeal to them that they must accept all reasonable amendments that may be brought forward by the popular party, so that, when the Bill comes out of the Select Committee, it will be a proof against the machinations and the manœuvres of vested interests.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammadan) : Sir, I do not propose to go into the history of this case, nor do I wish to discuss the character and capacity in which our representatives attended the Committee in London. My motto has all along been : Let past be passed and be cautious for the future. I can only say that the majority of the members who went to London were invited by the Government. So, without wasting a single minute, I wish to say something in the shape of practical suggestions.

In the first place, I wish to say that whether we support or oppose the motion, it is immaterial ; this Bill is now going to a Joint Select Committee and there is no other alternative. It is also obvious that, under the present rules, there is no other alternative but to have an equal number of Members of both the Houses. My suggestion to Government, therefore, is that it is better for them if they would try to get more official members from the Council of State without giving them the right to vote. If this suggestion is accepted, then I think many troubles will be solved. It is for the Government now to consider this question. You can have 14 men from the Council of State out of whom seven should be elected Members and seven official Members, the official Members not having the right to vote. In that case, many grievances will disappear.

Now, I want to refer, Sir, only to paragraph 3 of the Report of the Committee. There they say :

“ We fully accept the principle that the Reserve Bank should be free from any political influence.”

Sir, this is very objectionable. In the garb of this political influence, Government are taking away many things from the hands of a popular control. In the garb of this political influence, they want to have a Statutory Railway Board and, in the garb of this political influence, they want to have this Bank as a Shareholders' Bank. Had not the Postal

Department been a loosing concern they would have a Postal Board as well, to keep it away from political influence. What I mean to say is that the idea of the Shareholders' Bank is in itself not out of political influence. The Committee themselves have said that they fully accept the principle that the Reserve Bank should be free from any political influence. For the acceptance of any scheme, there must be some suggestions. Without suggestion, there can be no acceptance ; and where have those suggestions come from ? The reply is obvious, from the political influences in England. If you will see the Bill, you will find that the Governor General has been given so many powers, that this Bill cannot be said to be out of political influences.

Now, I come to the question whether the Reserve Bank should be a Shareholders' Bank or a State Bank. I have studied this Bill very carefully and I could not decide whether this is a State Bank or a Shareholders' Bank. As the Governor General has been given so much power of control, I think it is true to say that it is not a Shareholders' Bank at all. At the same time, I do find that the shareholders have also been given some right and, in that case, it becomes a Shareholders' Bank. So, it is neither a Shareholders' Bank nor a State Bank. The Governor General will receive instructions from the White Hall through the Cypher Bureau of the Political Department and will control the Currency of India. (Applause.) It will be true if I say that this is a Bill for having a Governor General's Bank.

If you look to the Directorate, you will see that the shareholders will have no hand in this Bank at all. I will refer only to this much at this stage, namely, that there will be eight Directors elected on behalf of the shareholders and four Directors nominated by the Governor General in Council and one Governor who will also have the right to vote. So there will be five votes, one for the Governor who will be nominated by the Governor General and four votes for the Directors who will be nominees of the Governor as against eight votes for shareholders. So the proportion will be 8 : 5. Now, sub-clause (4) of clause 8 says :

“ The Directors nominated under clause (b) and clause (d) of sub-section (1) shall hold office during the pleasure of the Governor General in Council.”

What will happen is that all these four nominated Directors will always be present just as we find in this House the nominated officials being present always. If any one is ill or goes out on business, then the Government take his resignation and nominate another man. What will happen in the case of elected Directors ? If anyone of the elected Directors falls ill or goes out on business or is sent out to some Conference, either here or in London, what will happen ? There will be one vote less on the elected side. After all, these elected Directors are all human beings and they may fall ill.

The Honourable Sir George Schuster (Finance Member) : May I point out to the Honourable Member that if an elected Director is absent, there is a special provision in the Bill that a substitute will be appointed by the local Board.

Mr. M. Maswood Ahmad : Certainly it is true. But there is one trouble. The local Board must have sufficient time to elect a substitute. Supposing an elected Director falls ill and sufficient notice is not given to the local Board to elect a man before a meeting of the Directors takes place,

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then the elected side will have one vote less. But there is no such difficulty for the Government. Their number will always remain the same. Another point is that many of these seats on the Directorate will go to Europeans and most probably they will support the other four Directors nominated by Government. Further, the Government will have the casting vote. So, Sir, the Government will always command a majority on the Directorate. I will leave this point for a minute.

I will read out what the report says :

“ The best device which the practical experience of other countries has evolved for achieving this object is that the capital of the Bank should be held by private shareholders, and we recommend that this plan should be adopted in the case of India.”

First of all I want to say that other countries also are losing faith in the Shareholders' Banks. Greece and Bulgaria are thinking now to have State Banks. Further, in this connection, I want to say that the condition in India is quite different from that of other countries. In India, apart from Indians, there are Europeans and domiciled Europeans, there are Anglo-Indians and there are so many other interests that it is very difficult to say that the conditions in India are the same as those in Europe. In the Bank of England, as far as I know, not a single Indian holds a share. They have a convention that only British subjects can have a share. Here, in this Reserve Bank, many Europeans and Anglo-Indians will have a large number of shares.

Further, this Bill is worse than the Bill which was placed before the Assembly in 1927. You will find that the share value in the old Bill was Rs. 100, but, in the present Bill, it is raised to Rs. 500. Further, there is another restriction that there will be votes to the extent of only two shares. I do not understand the benefit of this arrangement. Why not have Rs. 1,000 as the share value for a vote ? I suggest that this question also should be considered in the Committee and that they should fix the value of each share at Rs. 100. India, after all, is a poor country and it is very difficult for statutory Indians to buy shares of the value of Rs. 500. It is only the Europeans, domiciled Europeans and Anglo-Indians who will be able to purchase shares even to the value of Rs. 10,000, but the statutory Indians will find great difficulty in purchasing shares of such high value. I suggest that the Government should be kind enough to consider this question thoroughly in the Select Committee. Another difficulty is that in the old Bill the Directorate was 16 elected as against 7 nominated, whereas in this Bill it is 8 elected as against 5 nominated. This question also should be considered in the Select Committee.

Now, I come to clause 4 of the Bill which is very important. In this connection, I will discuss only clauses 4 and 8 and I want to say something on these two clauses. I find that Rangoon also has been included in the operations of the Reserve Bank. My information is that the question of separation of Burma has not yet been decided and so there must be a clause in the Bill as to what will happen if Burma is separated. I do not agree that, even after separation, the representatives of Burma should be on this Reserve Bank Board. I want that this Reserve Bank should serve purely the interests of India, and only Indians should be on the Directorate. The Reserve Bank should be governed by Indians and not by foreigners, whether they are foreigners coming from 6,000 miles away or from a

distance of 200 miles, it does not matter. I want that this Reserve Bank should be purely for Indians, administered by Indians and for the benefit of Indians. (Applause.) I do not agree that Rangoon should be included.

In this clause, the qualification for a shareholder is given as follows :

“ No person who is not domiciled in India, or a British subject ordinarily resident in India, or a company registered, etc..... ”.

I suggest that the clause should run as follows :

“ Shares will be held only by Indians and by company registered, etc..... ”.

I submit that this word “ domiciled ” is not a happy one and, therefore, I suggest it should be “ Indians ”. The clause further says :

“or company incorporated by or under an Act of Parliament or any law for the time being in force in any of His Majesty's dominions and having a branch in British India.”

This provision is very objectionable. It is a different question if we afford facilities to England. But we are not prepared to give those facilities to the dominions. On several occasions, in reply to questions in this House, we have found what the attitude of the dominions is towards us. Unless those dominions are prepared to give the same facilities to us and unless they incorporate a similar provision in their Reserve Bank Acts, I am not prepared to afford them any facility unless they are prepared to reciprocate. This question also should be considered by the Select Committee.

Now, I turn to clause 8 and that is a very important clause, about the Directorate. In this connection I will say that the Directorate is very small. It should be enlarged in the Committee.

Further, I find that there will be four registers in India, that is, Bombay, Calcutta, Delhi and Madras. They have provided two Directors for Calcutta, Bombay and Delhi, but I say that instead of giving two Directors for these registers, they should be split up and there should be one Director from each register ; and if there be two Directors for Calcutta and if they combine Assam, Bihar and Bengal together, I do not think there will be any chance for Bihar in this. The other trouble is that if you have two Directors from one register, then the electorate will be very large and it will be very difficult for Indians to control this. There are, after all, 165 lakhs of rupees for the shares and the sharers will be too wide, the electorate will be too wide and it will be difficult for Indians to control such a wide electorate. I suggest that the electorates should be small, that these men may be in a position to know the local condition, and they may be in direct touch with the men who have elected them and they may know the real condition of agriculture, etc. So I suggest that these registers should be split up and, instead of two from each, there should be one. The other suggestion is that the elected Directors should be more than eight as the number eight is too small. Further, Sir, you will find in the report of the Committee that special mention has been made that agricultural interests should be kept in mind and in this case I will say that there must be direct representation of that interest just as it was given in the previous Bill. I am very sorry that I do not agree with the principle of nomination. I have protested against that on several occasions and now also I want to suggest that some means should be sought in the Select Committee stage to see that representation for the agricultural interests should be assured on that bank. Further,

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in this connection, I will say that I have got no alternative but to give some chance to our European friends to have shares in this Bank. I would have been very glad if there was a principle laid down here that only statutory Indians should have shares in this Bank, but, if that is not possible, I will request my Honourable friends, who will attend the Select Committee, to try and restrict it in this way that, beyond a certain percentage, no shares should go to foreigners.

Mr. B. Das : What percentage would you suggest ?

Mr. M. Maswood Ahmad : I think 10 per cent. is quite sufficient to safeguard their interests and, if Government want to give them more, in any case it should not be more than 15 per cent.

Further, Sir, they have mentioned the mode of election and said that the shareholders would elect five men and then the local Board would elect representatives to attend the Central Board. But what is the use of this double election ? The three nominees there will certainly influence the election to the Central Board. This is very objectionable. There is no harm if they may have local Boards as well for other purposes if they want, but direct election should be given and shareholders should be given a chance to elect their representatives in that Bank direct, and not in this way that the representatives should first be elected and then these five representatives *cum* three nominees should elect to serve in that committee.

There should be some provision in the Act that the future Government may purchase shares at a fixed price if they chose to do so.

Then, Sir, I turn to clause 10. I find that they have mentioned the qualifications and disqualifications of Directors and members of local Boards. In this connection, they have added a proviso to sub-clause (2) :

“ Provided that an official of a State in India (not being a Government official on deputation in the State) may be nominated as a Director or as a member of a local Board.”

Here I have got a serious objection. If they debar the Government of India officials from being Directors, what is the use of giving a chance to the officials of the State to be Directors in this Bank ? After all, these officials in the States are in no way better than the officials of my Government. When my Honourable friend, Sir George Schuster, has got no chance of being a Director in that Bank, why should the Prime Minister of Patiala or Hyderabad or any other State be given that chance ? (Laughter) Then, about meetings also, I will say that they restricted the meetings to Bombay and Calcutta. But there I do not agree and I will suggest for my Honourable friend's consideration that at least one meeting must be held in all the centres.

Now, Sir, they have mentioned in clause 15, sub-clause (4) :

“ A Director so nominated to represent shareholders on the Bombay or Calcutta Register shall hold office for two years, and a Director so nominated to represent shareholders on the Delhi, Madras or Rangoon Register shall hold office for four years ”, etc.

I cannot understand why these Directors, who will represent Calcutta and Bombay, will be there for two years, and for Delhi, Madras and Rangoon it will be four years. The only reason that I can think of

is that there are more Europeans and Anglo-Indians in Bombay and Calcutta and there is....

The Honourable Sir George Schuster : Sir, may I explain to my Honourable friend that that provision merely refers to the first Directors nominated ? Different periods have to be put in so that all the Directors may not have to retire at the same moment. That is in accordance with the recommendation of the Committee and the provision was put in so that the Directors may retire by rotation.

Mr. M. Maswood Ahmad : Then, if that idea is accepted by the Select Committee, I will suggest that instead of having Bombay and Calcutta to retire first, it is better that the Directors from Delhi, Madras and Rangoon should retire first and Bombay and Calcutta afterwards. (Laughter.) Further, in clause 17, sub-clause (1), you will find this :

“(1) the accepting of money on deposit without interest from, and the collection of money for, the Secretary of State in Council, the Governor General in Council, Local Governments, States in India, banks and any other persons ; ”

Here if “ Local Governments ” mean the Local Governments of the provinces, I will say that local authorities like District Boards and Municipalities should also be given a chance to keep their money, and certain provisions should be made here for that.

I find in sub-clause (5) of the same clause :

“(5) the making of advances to the Governor General in Council repayable in each case not later than three months after the close of the financial year in respect of which the advance has been made ; ”

It is not said whether the money will be advanced to them with or without interest. What is happening today is that these Local Governments are taking money from the Central Government and they are not paying a single pie as interest. And, even after closing the financial year, the amount remaining is taken as overdraft and then these Governments pay the interest. So I want that it must be clearly defined whether this advance under this sub-clause will be with or without interest.

One other point I have to say is this. I refer to clause 28 which says :

“ Notwithstanding anything contained in any enactment or rule of law to the contrary, no person shall of right be entitled to recover from the Governor General in Council or the Bank the value of any lost, stolen, mutilated or imperfect currency note of the Government of India or bank note : ”

I want to say in this connection that the Reserve Bank note should have numbers in more than one place ; and, further, there must be some clear mention that if, by any chance, some mutilation takes place, in that case there must be some provision that these notes must be taken up by Government and the money given to holders of these notes.

As regards the Imperial Bank, I support the idea which has been mentioned—I do not want to repeat the same argument—but I say that two things must be considered : Government should not try to have this Imperial Bank in a privileged position. All the banks should be treated in the same way ; and, further, the time which has been mentioned here, namely, 25 years, is too long ; and if, for any reason, Government want to have this Bank, then it should be for ten years for the present ; and we should not tie the hands of the Directors who will come afterwards ; we must give them sufficient chance to decide whether they want to have the Imperial Bank as their agents or not.

[Mr. M. Maswood Ahmad.]

Again, turning to page 26, Schedule III, I will say that the proposed compensation which is to be given to the Bank must be omitted. What for are we giving them compensation? It was said in the year 1928, as I have come to know, that the proposal for compensation was raised, because the Imperial Bank of India had some contract with the Government of India and, as that period had not elapsed, compensation was proposed: but, in the present case, that is not so, and so I will request the Government to consider this point whether this Imperial Bank deserves any compensation or not. I request my friends who will attend the Committee to fight for this, that compensation should not be given to the Imperial Bank.

The only other point which I will press before I sit down is that this register should be split up: it should not be two Directors from one register, and the shares should not be transferable: if shares are transferable, then there will be no use of having separate registers, because, within a few years, everything will be hotchpotch and the provision of the allocation of shares they have mentioned here will disappear. (Applause.)

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

Rai Bahadur Lala Brij Kishore (Lucknow Division: Non-Muham-madan Rural): Sir, the establishment of a Reserve Bank for India will be a step forward in the development of India's financial machinery and will, I think, assist that gradual and silent revolution in India's economic life which promises to bring higher opportunities of life and higher standards of living to every one in the country. Sir, the interest of the country also demands the early creation of an institution which will be the central reservoir to which all public balances should belong and the central fountain which will feed all fruitful national activities throughout the country.

It has often been argued that Indian interests demand a State Bank rather than a Shareholders' Bank.

It has been argued that a Shareholders' Bank will run, not on national lines, but in the interests of those capitalists who finance the Bank. This, I submit, Sir, seems to be an incorrect view. If the shareholders choose a selfish path, the Legislative Assembly is not barred from raising public opinion against this policy, and compel the shareholders to bow before the nation's demands.

Now, Sir, coming to the actual purchase of shares, I find that the Bill makes no provision to safeguard against an undue predominance of non-Indian interest. This point is of very great importance and is likely to be discussed at length in the Select Committee. I will not urge the closing of the door altogether for foreign capitalists—for, I believe that for at least some time to come we do require their help and guidance.

One word as regards the link with sterling. Since 1931, the rupee has been linked to the sterling. Whether that act was wise or not does not concern us at present : that exists today. The Bill very clearly and wisely states that the working of the Reserve Bank on the sterling basis is only provisional. Till the world returns to more stable economic conditions, it is undesirable to alter the standard of the currency or the exchange ratio. It is, therefore, inevitable that a Reserve Bank started today can work only on a sterling standard basis. There is no other alternative. I would make one suggestion and it is this, that the Reserve Bank should recognise the status of the Co-operative Banks. These Banks, I need hardly add, are more important to the common people, especially the agriculturist class, than other Banks. The Reserve Bank will thus be enabled to come into direct contact with the masses of India. The Reserve Bank will certainly prove much more beneficial to the agriculturists if it extends its recognition to the Land Mortgage Banks and Agricultural Banks. India is primarily the land of the agriculturists. Any scheme of Central Banking, which does not take them into account, cannot meet our requirements to the fullest extent. Any scheme, which makes the financial position of the agriculturist easy, must be welcomed. It is in this hope that I strongly appeal that the Select Committee may be pleased to consider favourably the recognition of Agricultural Banks and Co-operative Banks. Sir, with these few observations, I support the proposition of the Honourable the Finance Member who, I think, is unquestionably one of the ablest financial experts of India. I also appeal to him to give to India the benefit of his entire ability and wisdom in solving this correctly in the Select Committee.

Mr. President (The Honourable Sir Shanmukham Chetty) : Before other Honourable Members are called upon to speak, the Chair would draw the attention of the House to certain amendments that stand in the name of the Honourable Mr. Jog who has come back to his seat just now. The first amendment of Mr. Jog reads like this :

“ Each House should have a Committee of its own. The Committee of the Assembly should consist of 14 members.”

The motion that is before us is under a specific Standing Order for constituting a Joint Committee of both Houses, and the Chair would like to know what exactly is the meaning of this amendment.

Mr. S. G. Jog (Berar Representative) : Sir, I quite realise the point raised by the Chair, but this is an amendment. The motion before the House is that there should be a Joint Committee of both the Houses. This is an amendment to that in which I say that the selection of members of the Committee should be restricted only to this House, and it should not be a Joint Committee of both the Houses. That is the purpose of my amendment.

Mr. President (The Honourable Sir Shanmukham Chetty) : But the Honourable Member says that at the end of the motion the following be added. The motion is a recommendation to the Council of State that a Joint Committee be set up. The motion, as worded by him, has absolutely no meaning, and, therefore, it is out of order.

The next amendment standing in the Honourable Member's name is like this :

“ That at the end of the motion the following be added : ‘ The non-official Members who have already taken part in the London Conference should not sit on this Committee.’ ”

[Mr. President.]

A Committee of this House, whether a Joint Committee or a Select Committee, is set up by a motion of this House, and every Honourable Member, whoever he is, has got the right to sit on that Committee, if he is elected to that Committee, and no Resolution of this House can debar any individual from sitting on a Committee like that, and, therefore, that amendment is also out of order.

Then, the third amendment is :

‘ That in the motion, after the words ‘ consist of 24 members ’ the words ‘ that out of the number allotted to the Council of State the majority should consist of elected Members ’ be added. ’

Under Rule 42, this House can only recommend to the Council of State that a Joint Committee be set up, and this House has no power to restrict the right of the Council of State to determine the composition of that Committee, and, therefore, this amendment is also out of order.

Mr. N. N. Anklesaria (Bombay Northern Division : Non-Muham-madan Rural) : Sir, in supporting the motion of the Honourable the Finance Member and in opposing the amendments to his motion, I wish to say a few words with the indulgence of this House. Of course, I do not wish to say anything, nor am I competent to do so about the various matters of banking technique which are connected with the Bill. I wish to restrict myself to a few observations on matters of general interest to which Honourable Members have directed their attention.

The first point which I will address myself to is as regards the remarks of certain Honourable Members in respect of the personnel of the London Committee. I would have avoided this subject, but unfortunately or fortunately I had myself the honour of serving on that Committee, and I think it is in the fitness of things that this House should hear me in connection with the remarks addressed against the personnel of that Committee and its activities in London. In the first place, I think every remark addressed against the personnel of the Committee is absolutely irrelevant and foreign to the present matter. It is the *work* of the Committee with which we are concerned. It is not the personnel at all. What matters if the report has been signed by X, Y, Z. or P, Q, R ? It does not matter in the least. Secondly, my Honourable friends who have criticised the personnel of the Committee do not seem to have noticed that on that Committee sat men of the widest possible banking and currency experience,—the best experts in currency and banking matters which the British Empire can claim, so far as the Europeans were concerned, and as regards the Indian element, I must say that the Indian element contained men who were in daily and intimate contact with banks and banking operations. I think the Honourable gentlemen, who criticised the personnel of the Committee, ought to have suggested a better personnel so far as the Indian element was concerned. My Honourable friend, Mr. Sarma, has already spoken about the Indian element in the Committee and I will say nothing more about it.

I could not understand what object could possibly have influenced my Honourable friend, Mr. Vidya Sagar Pandya, in dilating on that topic. He talked of the personnel being a bridal party and so on, and the only thing I could think of which could have induced him to say what he has

said is that he was dissatisfied at his not being himself on the London Committee. I may assure him that I would have been the very first man to vote for his inclusion not only in the bridal party, but for his inclusion in the palanquin and for his taking the place of the cat therein.

My Honourable friend, Mr. Gaya Prasad Singh, and others dilated on the topic whether the Bank should be a State Bank or a Shareholders' Bank. If my Honourable friends had asked themselves and explained to themselves what were the purposes for which a Reserve Bank was constituted, I think they would have approached the question from a more correct angle of view. We all know that banks have to do with credit, and the two most important topics which come to our mind when we talk of credit are firstly, the creation of credit, and, secondly, the distribution of credit. If you look at the history of banking in Europe and everywhere else, you will find that the functions of creation of credit and distribution of credit were all concentrated in one hand, but, subsequently, on account of several inconveniences, the State took upon itself the function of creation of credit and left the banks to deal with the ordinary business of banking and distribution of credit. So far as India is concerned, after 1862, the State monopolised the function of the creation of credit leaving the function of distribution of credit to the banks. The history of the last 100 years of banking in Europe and other civilised countries shows that this dual system of creation and distribution of credit respectively by two different agencies has led to very undesirable results, and those results have been summarised in the book from which my Honourable friend, Mr. Gaya Prasad Singh, read,—Keynes' Indian Currency and Finance, at page 235. There are three pages of it and I do not propose to read them. If we regard the question from that angle of view that the functions of creation of credit and distribution of credit in the best interests of the nation should be united in one hand, I think the point about the bank being a State Bank or a Shareholders' Bank would be very easy of solution. For, in the first place, the State can assume this dual function only by taking upon itself the function of the distribution of credit and other functions of a bank of deposit. This the State cannot do unless it believes in State socialisation as is the case in Australia. On the contrary, the ordinary bank can take upon itself the creation of credit as is the case with regard to the large majority of banks in civilised countries. Therefore, I say, if you create a State Bank, the functions which the State cannot properly carry on will have to be entrusted to the State, while, on the other hand, if you create a Shareholders' Bank, the functions which a Shareholders' Bank can properly carry on will be entrusted to that Bank. Again, my Honourable friend said that a Shareholders' Bank would be more open to influences, political and otherwise, detrimental to the interests of the nation than a State Bank would be. I categorically deny the correctness of that position.

Mr. Lalchand Navalrai (Sind : Non-Muhammadian Rural) : On what grounds ?

Mr. N. N. Anklesaria : These grounds are mentioned—I have only a short time at my disposal, but if my Honourable friend does want to know the grounds, he will find them in Thakur's " Organisation of Indian Banking ", very well summarised at page 107. Thirdly, my Honourable friend ignored that India is a dependent country and the dependence of India, under the White Paper scheme, far from being eliminated, will, I

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am afraid, be put on more secure foundations than it is today. This dependence means that a bank controlled by the State will be controlled by the Secretary of State for India, which means by the Lombard Street interests. Once in half a century you can get a Finance Member of the strong mind and broad views and Indian sympathies of Sir George Schuster, but, I am afraid, under the Constitution, he would be powerless to effect anything which the Secretary of State would like to do. I need not mention the incidents of the episode of the gold standard which happened in Simla in 1931. For all these reasons, I say a Shareholders' Bank is preferable to a State Bank, but my Honourable friend, Mr. Gaya Prasad Singh, says that under the scheme of the Bill you do not eliminate the influence of Lombard Street. You get this influence working in Indian affairs through the Governor General. I quite admit that the Governor General has got powers of appointment and removal of Directors, but when you consider India as a country in which many conflicting interests have got to be reconciled—economic interests, the interests of races and to them under the new scheme will be added the interests of Native States, you have got to resort to one impartial authority who would secure justice and fair play and I would challenge anybody to name any institution which would better function for such a purpose than the Governor General in Council.

Mr. B. Das : Challenge accepted.

Mr. N. N. Anklesaria : Let me know it. I think I am not disclosing any secrets with regard to the deliberations of the London Committee when I say that I was the first man to raise this point in the Committee there. I said I would agree to the powers given to the Governor General in Council if I was convinced that those powers would be used primarily in the interests of India and not of England and, I must say, to the credit of the European members there, they at once agreed with me and they said that some provision must be made to give effect to what I said, and one of them suggested and everybody agreed that a provision should be found in the Instrument of Instructions enabling the Viceroy to use his powers in the present connection primarily in the interests of India. That matter is not to be found in the report, but I think Sir George Schuster will bear me out and, if he does so, I am quite sure, many of the fears expressed outside and on the floor of the House will be allayed. Lastly, as regards the State Bank, my Honourable friend cited various authorities in favour of a State Bank. I will just quote seven lines from the report of Dr. Visering quoted in Mr. Thakur's book on page 107 :

“ The dangers attending the establishing of a State Bank have during the course of time been so universally admitted that at all the great international economic conferences held during the past six years warnings have been sounded against a State Bank and it was recommended that in countries where a State Bank was established it should be converted into an independent private bank, naturally, however, under sufficient supervision by the State.”

If you read the report, it contains sufficient provision which would enable the State to supervise the workings of the proposed Reserve Bank. It has been said that in future if it is found that a Shareholders' Bank is not in the national interest, the Act must contain a clause enabling the Government to buy up the shares. I believe, though I am not quite

sure, that there will be a provision in the Government of India Act about the constitution of a Reserve Bank, which I do not believe, I speak, subject to correction by the Government Members, it will be in the power of this House to amend or alter. This provision may be availed of by the political party in power for party purposes to the detriment of the real interests of the nation. Therefore, I say, a provision such as that suggested will be not only useless, but will be harmful, because, if such a provision were inserted, it would considerably depreciate the value of those shares and it is absolutely unnecessary. I would leave the matter to the British Parliament. The Parliament of Great Britain is omnipotent. It might do everything except make a man a woman or a woman a man. If Parliament is convinced that, in the interests of India, it is necessary to convert this Shareholders' Bank into a State Bank, I am perfectly sure the Parliament of Great Britain has power to do so. As there are many other speakers yet, I propose to resume my seat.

Mr. B. V. Jadhav (Bombay Central Division : Non-Muhammadan Rural) : I rise to support the motion brought forward by the Honourable the Finance Member to refer this Bill to a Select Committee, but I do not accept his recommendation of a Joint Committee. This House should be left independent in determining what should be the changes made in the present Bill. The other House has got a very small number compared with the number of Members of this House and, therefore, they can very easily go into Committee and thrash out the Bill when that Bill is placed before that House.

I am not in favour of the proposal made in the Bill that the Bank should be a Shareholders' Bank. That the Reserve Bank should be free from political influences has been laid down as an axiom. I am not going to say that the Bank or the Bank's Manager and the Board should be from the ruling party in the House of Representatives. That is not my idea. But I may point out that it is almost impossible to keep out politics out of a Reserve Bank either here or anywhere else. The Directors are men and they have got their political predilections and, when there is a change in the Directorate, there is some change, at all events, in the political outlook of the Directorate as a whole. May I ask a question : whether the Directors of the Bank of England are without politics like the Speaker of the House of Commons ? They are not required to be out of politics and, therefore, I do not think it will ever be possible to keep politics entirely out of the administration of the Reserve Bank. It is well known that the Governor of the Bank of England has frequent interviews with the Chancellor of the Exchequer and it is also well known that the Chancellor of the Exchequer is a puppet in the hands of his party. The Chancellor of the Exchequer belongs to a party and has to change his politics along with his party. Even such a strong bank as that of the Bank of England has to take the assistance of the Ministry whenever any important change is to be introduced and thus the Bank has to bow down to the present day politics. This will show that even the Bank of England is not outside the influence of politics. I shall here point out why so much stress has been laid upon the dictum that the Reserve Bank should be outside the influence of politics. From the year 1924, the Swaraj Party came into power, and, since then, Government found it difficult to carry on whatever they wished to carry. So, in the year

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1927-28, they found that the Opposition was a very strong one and, therefore, this theory of keeping the Reserve Bank out of politics was started. But, Sir, things have changed to a very great extent since then. We know what the politics of the present House are and how easily pliable the House is to the whims and wishes of the Government Benches and, in the future Constitution, as adumbrated in the White Paper, care has been taken to have this House at the beck and call of the Government Benches. There will not be the nominated block, but, in order to have a steady influence in the constitution of the House, the condition of Federation has been laid down. So, when the representatives of the States will sit in this House in order to steady the politics of the House, then it will always be certain that the Government in power will have almost an autocratic authority. Also, to guard against the whims of the popular vote, care has been taken to keep special powers in the hands of the Governor General and the Governors. So, I do not think there is, with all these precautions and special powers with the Federation coming on, any necessity of fearing the advent of politics in the constitution of the Reserve Bank. However that may be, that is the point of view I hold. If the constitution of the Bank is to be a Shareholders' Bank, then I will insist that care should be taken that a very large majority, about 90 or 85 per cent. of the capital should be kept in the hands of the Indian subjects of His Majesty. Sir, the Bank of England has been constituted as a capitalists' Bank and the capitalists of England have been ruling the whole nation. The Labour Party has been raising its head and the socialist politics are coming more and more into the administration of the country. The trend of legislation during the last 25 years shows that even the Conservatives and also the Liberals have been adopting some of the doctrines of the Labourites. In England, the Labour Party was twice the ruling party and, in future years, no one can say that the Labour Party will not come into power. The main doctrine of the socialists is to nationalise the instruments of production and distribution and banks, as a class, are very prominent as instruments of credit and distribution. So, Sir, there is a move to nationalise the banks and, I am quite sure that in the near future even the Bank of England will have to be nationalised. We have to take note of the fact that, although during the past generations the nations of Europe have been organising their Reserve Banks on the principle of Shareholders' Banks, yet the new banks that are coming into existence, such as the Bank of Australia, are purely State Banks. The Honourable the Finance Member is shaking his head and I speak subject to correction. But I understand that even in Sweden there is a sort of a mixture of Shareholders' and State Bank. Some such expedient might be resorted to here also. I would recommend that there should be a clause kept in the Bill itself that the State should be at liberty to purchase all the shares from the shareholders in about 10 to 15 years. This option may not be exercised; but then there should be that provision. Such a provision has been kept in the contracts with the Railways that were built with the capital borrowed from outside and Government have exercised that option of purchase. A similar provision should be made in the constitution of the Reserve Bank. This is what I have to say with respect to a Shareholders' Bank. I do not want to take up the time of the House in going minutely into the other provisions of the Bill. The Select Com-

mittee will look into that and it is their province. But I would insist that the Reserve Bank should have a branch in London, if not for any other purpose, at least to train our young men in finance and in the operations of the money market. London has become the centre of the world's money market, and training for our young men at that centre is very beneficial and that ought to be provided for by having a branch of the Reserve Bank in London. It will not be advantageous to us to give the agency to the Bank of England. As the operations of India with England cover very vast sums, the commission itself will be sufficient to maintain a branch in London. For this purpose I insist, with all the emphasis at my command, that a provision ought to be made for opening a branch in London. We shall have to borrow, in the first place, a Governor and one of the Deputy Governors from outside. This provision ought to be made to train Indians for that job. After taking all the training that can be had in India, it is necessary that our young men should have a training ground overseas in England and, therefore, this branch is absolutely necessary. I hope the Select Committee will take note of this. We have the India House with the High Commissioner at its head. We ought to have our banking centre there in order to control financial matters. With a branch office in London, we shall be in a better position to negotiate our loans directly without the intervention of the Bank of England. We have found that the help of the Bank of England has not always been of advantage to this country. The Bank of England naturally would look to her own interests and to the interests of England in the first place. We cannot blame the bank for doing it. But if India wants to preserve her interests in the markets of England and also in the markets of the world, she must have her own financial institutions to safeguard them and not trust to the work which is done by an agency of the Bank of England. I need not say anything about the ratio of 18d. or 16d. My Leader, Sir Cowasji Jehangir, has sufficiently dealt with this question. But I have to support the view placed by Dr. Ziauddin the other day. In order to improve the finances of our country, the raising of the commodity prices is absolutely necessary. Until the prices rise, the peasantry and the mercantile community cannot raise their heads. In order to raise the commodity prices, the lowering of the currency is a very good device. England adopted that device when she went off the gold standard two years ago and America has also done so very recently. India no doubt profited to a certain extent when England went off the gold standard, because, in proportion, her currency was depreciated, but that is not sufficient. The advantage gained has passed away and our peasants and our merchants are in a very deplorable condition. In order to improve their condition, some drastic methods are necessary and I support Dr. Ziauddin Ahmad in saying that the lowering of the currency will be beneficial in these circumstances.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions : Non-Muhammadan Rural) : The Honourable gentleman who just concluded his speech has followed the very wise lead of the Acting Leader of his party whose representative character even the Honourable Mr. Vidya Sagar Pandya cannot deny. These very expressive words : "I hope the Select Committee will take note of this", that and the other, these words, I believe, express in one sentence the bulk of opinion on this side of the House. Even though this sentence sums up our view, yet a

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jarring note may yet be heard from this side in regard to the motion which is before this House. I would suggest that the measure should be thrashed out in the Select Committee and those who differ will place their views before the Committee and specially before the Honourable Sir George Schuster. I have no doubt whatever that, just as he was able to compose differences in London in the Committee, even so he will be able to convince the doubters in the Joint Select Committee.

It is good by the way that the amending motion for an Assembly Select Committee was not moved at all. Good, because in matters of this kind, momentous as they happen to be, involving the fate and the future of this country, such a controversial amendment should not be discussed in this House as we must carry the confidence of the Central Legislature as a whole which I believe represents all that is sanest and safest in the country. The importance in regard to the setting up of a Reserve Bank arises from two points of view, financial and political or constitutional. If we want financial autonomy as we have been clamouring for it for years from platforms of the Congress as well as from industrial and other Conferences, it is time that we create an atmosphere of confidence in this country and, to create that atmosphere, we must, with one voice and with one mind, vote for this motion and not press it to a division. (Hear, hear.) I hope nobody has the least idea of pressing it to a division. At the conclusion of this debate, I have no doubt, within the limited opportunity open to the Honourable the Finance Member, he will meet the arguments that are necessary to meet.

One question that has emerged in this debate, one controversy, one seeming cleavage is as to the wisdom of a State Bank or the unwisdom of a Shareholders' Bank. Listening as I have been rather closely to the argumentative side of the speeches of the advocates of a State Bank, I notice one thing and that is this. They were anxious to examine the contact that would be established between the Government, its Finance Minister and the Reserve Bank. And, as in the scheme before us, the Shareholders' Bank is not to be drifted into uncharted seas, as the Governor General and the Finance Minister will have contact with the Reserve Bank, the advocates of a State Bank may possess their souls in patience. Some one, in the enthusiasm of his argument for a State Bank complained that the Bill before us was setting up something in the nature of "a Governor General's Bank". Well, what can be a State Bank, if you read the White Paper scheme and note the Governor General's powers under it, but a Government Bank, dominated by the Governor General? That must incidentally be an argument in favour of the present Shareholders' Bank. However, those who honestly want a Government Bank know the Governor General's connection has not been cut off from the new scheme.

Sir, every attempt has been made to compose differences which arose in London and sometimes threatened to blow almost like a *loo*. I was present in one or two of these controversial discussions when Sir Purshotamdas Thakurdas, the great stalwart of Bombay, true to his traditions, stuck to his guns. Then the Finance Member argued, the experts from England argued, and after a heated argument they saw

light, the light, namely, the Bill before us. Even so, I am sure, in the Select Committee, our friends, who have got so much of heated argument and suspicion, will see that there is plenty of light and plenty of wisdom in the Reserve Bank Bill.

We are essentially politicians on this side of this House and that leads me to the political, the constitutional issue. Every one has read the White Paper scheme. It may be a pity, it may be a tragedy, that the White Paper scheme has placed us on the horns of a dilemma, but we have got to face the realities. Those who want central responsibility to come *pari passu* with provincial responsibility cannot stand up on the floor of the House and put obstacles in the way of the establishment of the Reserve Bank. If you want central responsibility, says the White Paper, you must agree to the setting up of a Reserve Bank. Even without that provision, I would have agreed to a Reserve Bank. Our leaders in days gone by, the late Pandit Motilal Nehru, Pandit Madan Mohan Malaviya, and others did not dispute the necessity for a Reserve Bank. They realised it even before the White Paper scheme was on the horizon; and, therefore, if they did not dispute that fact, I do not see why we should dispute it by pressing this motion to a division. (*A voice* : "We do not dispute that fact.") It will not and it cannot be pressed to a division after this healthy confession of the organiser in chief of the new Democratic Party (Mr. B Das) which I wish all success in the Select Committee.

Sir, I personally do not propose to labour the objection to the provision in the White Paper scheme, because India wants a Reserve Bank, India which is far and away in its financial conditions, in its financial possibilities, in its financial equilibrium, head and shoulders superior to many other countries in these times which can boast of a Reserve Bank. That being so, we must have a Reserve Bank, and if I advocate a Shareholders' Bank as preferable to a State Bank, it is because nothing that has been said in this House or outside, nothing that has been recorded in the Bill can prevent this country, if it so chooses, after the experience of a Shareholders' Bank, from going in for a State Bank. The State will always have adequate powers for that purpose. Instead of starting with a State Bank, and the State Bank failing to fulfil expectations and regenerating as a Shareholders' Bank, it will be far better to start with a Shareholders' Bank; and if experience proves and suggests that we should have a State Bank instead, we can have State Bank. It is a matter on which there can be no dispute and, I am sure, when the Finance Member rises to speak in his seat or rises to discuss in Select Committee, he will make this point absolutely clear.

Sir, we have been attacked not only in prose, but also in poetry. It was that banking patriot or patriotic banker, Mr. Vidya Sagar Pandya, who reminded this House of a procession in London, a bridal procession that wended its way from India across the black waters. Sir, I was in this bridal procession. I was not a member of the Reserve Bank Committee. I have no aspiration,—he said there were aspirants galore on the floor of this House,—for a place on the Joint Select Committee. Therefore, I can speak with a certain amount of disinterestedness. The attitude of the Honourable the Mover of the

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circulation motion who believes in delaying, "sweet, reluctant, amorous delay" (Laughter), is worthy of a bridegroom outside a bridal procession. These lines struck me as he rose and spoke.

"Fresh as a bridegroom and his chin new reap'd
Showed like a stubble-land at harvest time ;
He was perfumed like a milliner
And 'twixt his finger and his thumb he held
Paper sheets which ever and anon
He gave his nose and took away again."

As for Sir George Schuster, he can have the satisfaction that towards the close of his official career as Finance Member, he is leaving for his and our country, he has served to the best of his ability and his light, a rich legacy. Well may he feel :

"When I'm not thanked at all, I'm thanked enough ;
I've done my duty and I've done no more."

Mr. A. Das (Benares and Gorakhpur Divisions : Non-Muhammadian Rural) : Sir, at the fag end of this debate and suffering from the disadvantages of being furthest away from you and not belonging to any party, I am obliged to you for giving me this opportunity to speak a few words on this important subject. I wish, Sir, that everybody in this House had taken the hint which you gave the other day of fixing a time limit. That would have saved much of the time being wasted and prevented also much of the repetition, and other Members would have had no grievance. I for one strictly wish to follow it and that is why I have kept the watch before me and I am not taking more than 15 minutes, or less, if possible. Sir, I have been connected with several local banks in the capacity of a Director for a number of years, but I prefer to speak on this question more as a lay Member than as one who has had experience of details.

I rise to oppose this motion for circulation and, in doing so, I wish to thank the Finance Member for his efforts in England and here, in order to put our country under a sure financial credit and to safeguard it. I claim that it is due to his efforts and also to the Government of India that at one time when the securities of India had gone down about 50 per cent. and it was rather at a low ebb, now they have gone up to about 85 per cent. ; and I think it is the credit of this country, guided by the able Finance Member and supported by the English banks, that no sooner a loan is opened than it is more than over-subscribed.

One thing is important : whatever the future constitution of this country may be, the important thing is the connection with England. I am one of those who think that for some time to come, however advanced India may be, in order to be a safe and financially sound country, it is essential that it should keep up its connection with England at least for a number of decades. If that is the correct view—and I hope others will agree with me in this view—then I think it is all the more important that a Reserve Bank should be established which would be independent of any political atmosphere and will be guided on safe financial principles. It would be necessary for a few moments to go into the history of legisla-

tion on this point. It is a fairly old one, and the question has been discussed in public and outside, and no object will be served by delaying this motion any further and passing the motion for circulation. The history of legislation for a Reserve Bank may be briefly summarised. It is as old as 1836 when a scheme was submitted to the Board of Directors of the East India Company in order to have a Reserve Bank. The idea was of a Central Bank of India, and certain advantages were pointed out for the scheme. They were that it would facilitate the use of English capital and finance English commerce, that it would give stability to the monetary system of India and that it would be convenient to the East India Company in connection with its own financial arrangements. That proposal fell through. Then, in 1920, there was an International Conference held at Brussels and they recommended that in countries where there is no Central Bank of issue, one should be established. This has been put in practice in various European countries, and I am glad that our country also is going in for it. In 1920, also, as we all know, this Imperial Bank of India was established and the three Presidency Banks were amalgamated into one. In 1925, we had the Royal Commission on Indian currency and exchange, and it was presided over by Mr. Hilton-Young. That Committee went into this question and the report of the Commission was submitted in August, 1926. The Committee recommended among other things the creation of a Central or Reserve Bank which, in their opinion, should be a Shareholders' Bank. We must bear this in mind when we decide whether it is to be a Shareholders' Bank or a State Bank ; and they also stated another very important point which is also under discussion today, that the Bank should be immune from political influence. Lastly, they also said that no Member of the Council of State or of the Legislative Assembly should act as a nominated Member. Then, in 1927, we had the Bill of Sir Basil Blackett which was ultimately dropped. In that connection I would invite your attention to the fact that the question of the Reserve Bank formed the basis of discussion in the Session at Delhi in January, 1927, and the Gold Standard and Reserve Bank questions were discussed together. The then Finance Member moved the Bill for establishing a Reserve Bank for India and there it was brought out that the currency question was intimately connected with the Reserve Bank, and that is why I say that the two cannot be separated. One of the points urged then—and I think it holds good today—was that the establishment of a Reserve Bank will add enormously to the importance and influence of India's position in the financial counsels of the world when the Reserve Bank takes its place side by side with the other great central banks of the Empire and of the United States and elsewhere. It was also shown then that the Imperial Bank of India, which came into existence in 1920, when the three Presidency Banks were amalgamated into one. It has been in existence now for thirteen years ; and can it be denied that it has helped considerably to foster many Indian industries, particularly sugar in my part of the country ? I wish to say here a word against the criticism which has been pronounced against the Imperial Bank that the shareholders have no voice. I ask, whose fault is it ? The Directors are chosen by the shareholders and if the shareholders do not wish to assert themselves, it is not the fault of the Bank. But look at the dividend they are paying. They are paying over 14 per cent., and

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the value of their shares has gone up four or five times. Does it or does it not speak for the good conduct of the Bank ?

Coming back to that Committee, that Bill was opposed by Sir Purshotamdas Thakurdas and Mr. Birla ; and, if we are to keep our connection with England, it seems to be inevitable for the present that we will have to follow in the matter of the gold standard what England is doing. Having regard to the very large amount of foreign capital invested here, whether it be for good or otherwise of this country, we have to follow it.

Then there is the point about the share capital. The Bill provides that it should be subscribed in India and that the representatives of the shareholders should be the majority of the Directors. I should imagine that it will be more in the interests of the country than to have any foreign capital included in it.

You also, Sir, took part in that discussion in 1927, and although you did not agree about the going off from the gold standard, you were definitely of opinion that so far as the constitution of the Reserve Bank is concerned, you whole-heartedly welcomed the proposals in so far as it aims at co-ordinating the currency and the credit policies of the country. You further said that the control of the currency policy and credit policy should be placed in the hands of an independent bank, which this Bill also enacts. Then, in 1929, the Government appointed a Committee to enquire into the banking conditions in India and they made certain recommendations on certain assumptions which were to the effect : that the Reserve Bank should be established by an Act of the Indian Legislature ; that the capital of the Bank should be provided by the State ; that the Bank would be under Indian control, and that it would be free from interference, executive or legislative, in its day to day administration. Then, another attempt was made to introduce that Bill, but finally it was dropped. In 1933, we all know that a Committee was appointed and we have the report of the London Committee before this House. Here I wish to decry, as far as I can, the policy and utterances of those who want to go behind the sacred agreements and the debts which have been entered into by this country. Nothing, to my mind, is more detrimental to the sound financial position of any country than to decry and go back upon past solemn obligations. We have to state the facts as they are. We have to stand by all the obligations that have been made in the past. If we will do away with those obligations which were made by those who were in power at the time, how is it likely that the future obligations will be respected by those who will enter into them now.

Another important point is, we have to work the new Constitution, whether that Constitution be for good or bad,—many think it is for bad, but still some think it is for good. But be that as it may, it is certainly some improvement on the old Constitution, and we are going to have it in India, whether it be for good or bad, and so long as our connection with England continues, it is our duty to work it as best as we can and make it a success.

Sir, I have already submitted that the currency question and the question of the State Bank are very closely connected, and we cannot have one without the other. It was brought out very forcibly in 1927, and in the Select Committee there were many important Members. I am glad that Sir Purshotamdas Thakurdas is also a Member of this Select Committee.

Then, Sir, I wish to say a word or two more—because I find I have got only five minutes more to finish. I do think that there should be proper safeguards introduced into the Bill in order to help industrial and agricultural concerns. One other thing which I see introduced in the Bill is that, the U. P. has been ignored entirely in that there is no local Committee mentioned in the Bill. The U. P. is a very important trading centre, and, especially with the development of the sugar industry, I think it is only fair that a local Committee should be appointed for the U. P., and it may be located in one of the important centres of the U. P., either at Lucknow or at Allahabad, I don't mind which, but I certainly think that the U. P. should have a local Committee of its own, because it is a very important trading centre, and particularly the sugar industry in the next few years will make such great developments that I trust members of the Select Committee will see that a local Committee is appointed for U. P. We have already spent much time on this Bill, and I commend it to the Members of the House. There is one other suggestion that I wish to make, and that is, the Select Committee should not be confined to Members of this House and the Council of State. This is a measure on which depends the future life of our country for a long number of years. I would, therefore, suggest that on this Committee there should be not only members of both the Houses, but there should be the best financial brains in the country that may be available; they should be co-opted as members so that we may have the benefit of their advice, and when the Bill emerges finally from the Select Committee we may have the opinion of not only the Members of both the Houses, but also the opinion of the best financiers in India. With these few words, Sir, I support the motion and oppose the amendment.

Mr. B. Das (Orissa Division : Non-Muhammadan) : Sir, I am particularly gratified to speak at this stage, as I was very anxious to hear the four representatives who represent vested interests in this House. We heard our friend, Mr. Mody, Sir, and I take this opportunity on behalf of the capitalists and opportunists to congratulate him on his able defence of an indefensible proposition in defence of the Government of India. Then we heard our friend, Sir Cowasji Jehangir, who represents the vested interest of the Indian capitalists. Then came my friend, Sir Leslie Hudson, representing the vested capitalistic interests of Europeans. Sir, you and I were at Geneva, and we knew that when it affects the interests of the capitalists, the employers all over the world combine—against whom?—against the Governments, against the nations of the world and the people of the world. Then we heard the nominated representative Mr. Sarma. Well, he spoke in his Master's voice like a gramophone. His constituency is Government. I do not want to take any notice of the nominated Members of this House. I want Mr. Sarma to stew in his own juice....

Mr. R. S. Sarma : You will also be nominated very soon.

Mr. B. Das : Now, Sir, speaking in Sir Cowasji Jehangir's words, as a democrat of democrats, I support the principle of the Bill. If it be the principle that there should be a Reserve Bank for India, I support it. At the same time, I want to know what my friend, the Finance Member, has to say, as to whether the idea to have a State Bank or a Shareholders' Bank, is also part of the principle of the Bill. If that is so, then we, democrats, oppose this motion before the House. Sir, this Reserve Bank which my friend had the privilege to introduce and for which he received so many congratulations, even from my friend, Mr. Ranga Iyer,—I have not got the time to quote his speeches which he made in 1927—is a bogus Reserve Bank. Is that the Reserve Bank with a Gold Standard Currency which Sir Basil Blackett introduced in 1927 ? My Honourable friend, the Finance Member, says there should be no political influence. Was there no political influence exercised on behalf of the Government of India in 1927 ? What happened when the Ratio Bill was seen through ? There was my friend, Mr. Jamnadas Mehta, and he repeated it on the floor of this House, that pettycoat influences, dancing girls and *Shari* influences were used by the Government to rush the Bill through. I am merely repeating what has been repeated so often on the floor of this House. Then what happened ?

Mr. K. C. Neogy (Dacca Division : Non-Muhammadan Rural) : That is no political influence !

Mr. B. Das : I am sorry. I thought it was political influence. Petticoat influence is part of the political influence exercised by the Government then through their whips.

An Honourable Member : It was social influence.

Mr. B. Das : All right, but I say that political influence was exercised then, and Sir Basil Blackett had to resign, because he agreed with the Joint Committee Report of 1927 that the Reserve Bank should be a State Bank. My friend, the Finance Member, knows it. If he does not know it, let him ask his assistants to look up the files. "At this stage",—this is from one of his eminent Professors whom he occasionally quotes on the floor of this House—"At this stage, the Secretary of State for India cabled from London and put his foot down firmly on the negotiations proceeding among the various groups in the Assembly. The Finance Member stated in the Legislative Assembly on the 8th September 1927, that the Government had decided not to proceed with the further consideration of the Bill during that Session." Sir, I shall quote another line. "Sir Basil Blackett tendered his resignation, which was refused, and a communiqué, dated 27th October, was issued from Simla to the effect that Sir Basil Blackett was proceeding on special duty to England on 29th October for the purpose of discussing with the Secretary of State the details of a plan for the constitution of the Reserve Bank on the basis of share capital".....

Mr. President (The Honourable Sir Shanmukham Chetty) : What book is that ?

Mr. B. Das : Sir, I am quoting from the *Economic Journal*—December Issue, 1928. The writer is Professor G. Findlay Shirras, who is the official writer on many matters of finance. I do not know whether the present Finance Member is fond of quoting him as Sir Basil Blackett used to quote him very often on the floor of this House.

Sir, we all know that Sir Basil Blackett was against the 18*d.* ratio. He could not tender his resignation at that time, but he received a telegram from Whitehall or from the Bank of England and he had to fix the ratio at 18*d.* I am only illustrating how political influences are exercised from Whitehall. Political influence is contained in the White Paper proposals and under those proposals, my Honourable friend brings forward this Bill and yet he wants that there should be no political influence from this side of the House. My Honourable friend, Sir Cowasji Jehangir, whose absence I deplore, as everybody else deplores, has gone back after delivering his speech. He only talked of 1928 Bill. He forgot or probably he was out of India in 1927. He forgot the denunciation and condemnation of the action of Whitehall and the Government of India in refusing to go on with a State Bank. Much argument has been advanced why it should be a State Bank, but the last speech that was delivered for a Shareholders' Bank was delivered by my Honourable friend, Mr. Ranga Iyer. I tried to be convinced, because he is one of my most intimate friends, but I could not be convinced. I do not like to advance any argument from this side of the House ; I will only quote one paragraph from a person who is held in very high respect throughout India and by every Member of this House. I refer to you, Sir. (Cheers.) I only quote a few lines from your speech which you delivered on the floor of this House in 1927 on the 30th August. I hope my Honourable friend, Sir George Schuster, will have the same respect as he has for your views at other times and accept this opinion of yours. Or let him explain to us why he is going contrary to your opinion :

" Our apprehension against having a shareholders' bank is this ; we cannot keep members representing European commercial interests from being shareholders in such a bank. And whether our apprehension is right or wrong, the impression remains that the interests represented by European commercial men come very often directly into conflict with the interests represented by Indian commerce. And so long as that state of affairs continues it is not possible for us to agree to any scheme which would hand over the management of the entire financial system of our country to foreign capitalists. Even if the management of the financial system of the country were to be entrusted to Indian capitalists, I would still have some objection to such a course."

I am very grateful to you that you have tarred with the same brush the Indian capitalists :

" I do not want that on an important concern like this vested interests should be created. For we all know as a result of the experience of almost every joint stock concern, not merely in India but all over the world, that the control exercised by the small shareholder is absolutely negligible if not non-existent."

I would say that a Daniel has come to judgment :

" The managing agents or directors of any joint stock company will tell you how ineffective and unreal the general control of the shareholders of the affairs of a corporation is."

Mr. Vidya Sagar Pandya said the same thing, but my capitalist friend, Sir Cowasji Jehangir, himself a Bank Director, as his revered father, the Baronet, is one, pooh-poohed him :

" It is, therefore, no use to say that provisions might be made in the Bill to ensure that persons should not be allotted more than a certain number of shares, thereby safeguarding against the passing of control into the hands of a few capitalists."

I am very grateful for these few lines which sum up my own views in the matter as well as that of the Opposition.

Mr. C. S. Ranga Iyer : May I ask the Honourable Member if a similar view was not expressed by Sir Purshotamdas Thakurdas ?

Mr. B. Das : Thank you. I was coming to my friend, Sir Purshotamdas Thakurdas, and I thank you for it.

Mr. C. S. Ranga Iyer : As my Honourable friend thanks me for it, may I ask what authority he has got to presume that you, Sir, would not, in the changed circumstances, have held views that Sir Purshotamdas Thakurdas now holds ?

Mr. B. Das : The Chair has no politics today and let us leave aside the Chair, and let us talk of ordinary mortal men. Why my Honourable friend, Sir Purshotamdas Thakurdas, and Mr. A. Rangaswami Aiyangar adopted the course they have done is known to gods and to those who attended this London Committee. But Sir Purshotamdas Thakurdas has not yet issued a statement to the country, to the Indian press to convince us as to his judgment in that cold atmosphere of the India Office and in that sweet, probably entertaining atmosphere that was provided by the British Government....

An Honourable Member : You suggest dancing girls in London ?

Mr. B. Das :and why he changed his attitude. But it has been a surprise to me, and I take my hat off to Lala Ram Saran Das for sticking to his gun, and that he has not been influenced by Whitehall or Mr. Montagu Norman who seems to be the miracle worker in London. Until Sir Purshotamdas Thakurdas comes out publicly, I must think that he has been misled by the atmosphere that London brings.

I do not want to go very much into details, but I will only refer to one aspect of the question to which the Finance Member has referred. He was particularly happy that the present financial position of Government reserves was satisfactory. He said that the reserve which is provided in the Bill requires 89.88 crores, and, for that, he has got Rs. 44.49 crores in gold and Rs. 38.16 crores in sterling securities, a total of Rs. 82.65 crores, and he needed only Rs. 7 crores. I cannot understand the Finance Member when in one breath he says the Government are bankrupt and are running at a deficit, and in another breath he says the financial position, the banking position of the Government is very sound. The Bill of 1927 provided a reserve of Rs. 103 to 110 crores, I would like to be corrected by the Finance Member if I am wrong. It wanted to provide Rs. 110 crores of gold in reserves, and then Sir Basil Blackett was scratching his head, so to say, as to how to get that money. And in private he used to talk to us : "Let us float a Gandhi loan and get gold so that we may have the gold reserve necessary for a Gold Standard Reserve Bank." But my Honourable friend, who is responsible for the flight of Rs. 150 crores of gold from India, feels very happy that he has got Rs. 40 crores of gold, and out of those 40 crores he knows it well that Rs. 9 or 10 crores happen to be distress gold. And what has my Honourable friend done to keep the 150 crores of distress gold that took flight ? He is feeling very happy. On the silver tokens in the country for every rupee which is worth only five annas to the ordinary common man he has pocketed eleven annas, and no rupee redemption fund is to be provided. The assurances given by dozens of his predecessors were all set at nought.

4 P.M.

My friend gloats over it. He is happy he has got 44 crores of gold and only 9 crores is needed to have a sound Reserve Bank so as to ensure the credit of the successor of my friend, of the India Office with the British Government. They talk about

the new Constitution. I would rather have no new Constitution for India when this sort of muddling of the finances of India goes on. What did Sir Malcolm Hailey, one of his predecessors, did? He sold reverse councils and squandered away 200 to 300 crores of rupees. Sir Basil Blackett did no less in another way by his ratio policy. My friend himself has also squandered away Rs. 30 to 50 crores of paper currency reserve and also the money from the sales of silver. Yet, here, the Bill provides that part of the silver hoard will remain with the Government of India for the gambles of the future Finance Member or the future Financial Adviser who will be an omnipotent, sacrosanct, non-voted gentleman as provided in the White Paper. He will deal with finances in any way he likes. I would like the Government to justify their financial policy and show to this House whether they have got a consistent policy. Finance Members may come and Finance Members may go, but the poor taxpayer remains to foot the Bill of extravagance of every Finance Member.

Many of the details of this Bill will be gone into in the Select Committee. The little interlude between two capitalists, Sir Cowasji Jehangir and Mr. Mody, was a pleasant surprise to many of us. I do hope, the Honourable the Finance Member has read the editorial in the *Statesman* of Calcutta and also the *Capital* of Calcutta, where they said that they could not understand why there should be a fixity of ratio as stated in the White Paper proposals or as stated in the Reserve Bank Bill. Of course nobody wants to disturb the present conditions about exchange or currency. Here I should like to congratulate my Honourable friend on the action he took on the 17th September, 1931, before he got his master's order which asked him to tie the rupee to the chariot wheel of the sterling. I am very grateful to the *Statesman* and also to the *Capital* for suggesting to the English Finance Member of the Government of India to allow the rupee the same fluctuation as the Government of South Africa and Australia have for their currencies. Those are Dominion Governments. They can defy the British Government. But my Honourable friend at every stage follows the dictates of the British Chancellor of the Exchequer or the Bank of England whatever that might be.

I will now refer to the Imperial Bank of India. I agree with the criticisms that have been levelled against the Imperial Bank of India. The Imperial Bank of India may have Indian capital, but it is British managed. It has done very little to develop the trade and commerce of India. Very often it has been stated on the floor of this House that it finances mostly British businessmen in India. It seldom does that in the case of Indian industries and Indian trade. My Honourable friends of the Treasury Bench very often tell us that there will be a new Heaven when India gets provincial autonomy. Why are you allowing the Imperial Bank of India to continue its worse traditions of the past? It has always stood against Indian industries and Indian commerce and Indian trade. Why do you allow it to perpetuate its vested interests for another 25 years? Are there not co-operative banks? Are there not Indian owned banks? I would object to any concession given to the Imperial Bank wherever an Indian owned bank exists. They should have the same facilities as the Imperial Bank. Incidentally I will refer to Schedule II. No bank which is owned by Japan should be included in this Schedule and no foreign bank, French or any other bank, that does not belong to the British Empire, should be included in Schedule II of the Reserve Bank Bill. Lastly, I will say one word why I am opposed to a Shareholders' Bank.

[Mr. B. Das.]

The representative of the Democratic Party in the Joint Select Committee will oppose it tooth and nail. I do not know how my Honourable friend is going to have his 14 members elected by this House, but I am sure he will get it packed. If we fail in our fight to have a State Bank, the Shareholders' Bank should be so framed that it would not promote the vested interests of Bombay or Calcutta, and your speech, Sir, which I took the liberty of quoting, sums up the whole position. Therefore, I say, divide up India into provincial territorial units and do not allow the small shareholders in the villages to be influenced by the capitalists of Calcutta and Bombay and, even in the matter of choice of Directorate, I want there should be one Director to every province, besides the representation of provincial co-operative banks as was done in the 1927 Joint Select Committee report. We do not want to hand over our banking affairs to Calcutta plutocrats nor to Sir Leslie Hudson and Sir Purshotamdas Thakurdas of Bombay, however intimate and personal friends they may be and however intimately I may be connected in business matters with one or other of them. I am very much indebted to my friend, Sardar Sant Singh, who reminded me that it was a strange coincidence that whenever the Government of India brought out a Reserve Bank Bill, there was a flood in Orissa. In 1927, when the House threw out the Reserve Bank Bill, it took the opportunity to send a message of sympathy to Orissa and my friend was asking whether, owing to the floods in Orissa this year, the Reserve Bank Bill will also be thrown out.

Sir, as I said at the beginning, I am for a Reserve Bank, but I loath the Shareholders' Bank which will be controlled by the capitalists, be they Indians or Europeans. They will never look after the industries, the trade and the commerce and the interests of the agriculturists for which the State must exist. Whatever my Honourable friend may do, let him remember that the Reserve Bank, be it a State Bank or the Government Bank, must be a *national bank*. The plutocrat friends of mine, including the nominated representatives of the Government, do not and cannot think in terms of nationalism. They always think as to how far their own interests will be safeguarded and how much money they will themselves be able to make. My Honourable friend, Sir Cowasji Jehangir, or his sacred clique or the European clique will manage to become the Directors of the Reserve Bank by using some subtle influence which my Honourable friend, Sir George Schuster, may not understand, but the country understands and the country knows how they have managed to be the Directors of the Imperial Bank. Sir, I loath that system and, therefore, I want a national Reserve Bank.

Several Honourable Members : The question may now be put.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is that the question may now be put.

The motion was adopted.

The Honourable Sir George Schuster : Sir, I think it is perhaps as well that you have not got a Mr. C. Das to call upon. (Laughter.) When my Honourable friend spoke about the floods in Orissa, I thought that a little bit of the Orissa flood has over-flown into this House. (Laughter.) But, my Honourable friend's flood of eloquence now being concluded, the task falls to me in a very short time at my disposal to wind up this debate. Naturally, I would have liked to reply to a great many points that have

been made in the course of this debate as they were being made. But obviously the time for that is the discussion in the Select Committee, when we can meet points as they are made, exchange views and, I hope, arrive at a general agreement. I think, reviewing the three days' debate, I have very little to complain of at least the quality of the speeches which have been made. As regards the quantity, perhaps I might have desired a somewhat shorter period for sitting through. If there is one speech that I would criticise—I am sorry that the Honourable Member who made it is not here—it is the speech made by my Honourable friend from Madras, Mr. Vidya Sagar Pandya. I do not think it is unfair to describe that speech as a general exercise in mud slinging at Directors of Banks, past, present and future. Now, Sir, I think that there is very little to be gained by that sort of process. We do not want to discuss this matter in an atmosphere of ill-will and suspicion. If Honourable Members want to use those methods, they will find plenty of people to meet them with the same methods in England. But those who have been responsible for framing these proposals are, I think I may claim, those who believe in India and who honestly wish to work for those ideals which inspire all Honourable Members opposite. These proposals have been conceived and discussed in London in an atmosphere of trust and understanding and I should like to transfer that atmosphere to the discussions which are coming on here.

Sir, we have heard a good deal said about the London Committee. It has been described as a packed Committee. I do not think that anyone, who looks down the list of the names of the members of that Committee, can honestly sustain that charge. If we had gone out of our way to choose people who were bold enough to attack Government and who had the ability to attack Government effectively, I do not think we could have chosen better men than those who actually went to London. Now, Sir, one of the speakers opposite—I think it was Mr. Thampan—accused the Government of having brushed aside the recommendations of the Joint Committee which sat on the earlier Bill. We had in that London Committee three—I think I am fair in so describing them—three of the most able members of that former Committee—Mr. Rangaswami Iyengar, Sir Purshotamdas Thakurdas and Sir Phiroze Sethna. All those three members took part in our discussions and, on the main issues, all were in complete agreement with the conclusions. We had other representative men from India, representing all interests, representing all Parties in this House, and they all agreed with the main conclusions. If now we come forward with a Bill based on those conclusions, then, Sir, it is not fair to accuse us of having lightly brushed aside the earlier recommendations. Then, Sir, there is another point arising out of the speech of my Honourable friend, Mr. Vidya Sagar Pandya. I do not wish to deal with all his points, but there are certain points which I cannot let pass without some mention. He went through a list of the Imperial Bank Directors and drew conclusions for the future, very disparaging to the chances of this Reserve Bank, from the fact that a number of Directors maintained their posts as Directors of the Imperial Bank for a long series of years. Sir, I think that if the Reserve Bank of the future can obtain the services—I would say the long and continuous services—of men like Sir Dinshaw Wacha, Sir Maneckji Dadabhoy, Sir Rajendra Nath Mukherji and Sir Purshotamdas Thakurdas,—then that Bank will be very fortunate indeed. One of the great practical difficulties in the future—and my Honourable friend, Mr. Mody, referred to it—will be to secure Directors of first class ability

[Sir George Schuster.]

and experience for the Reserve Bank. With all the limitations that have to be imposed on their selection, that will be a very difficult task. I hope that if the Reserve Bank is able to secure Directors of the class of the four Indians whom I have mentioned, it will retain their services for the natural period of their lives or at least for the period of their activity and useful work.

Now, Sir, I do not think I need say much on this motion for circulation. My Honourable friend, who made the motion, told us a story. He said that it reminded him of the old story of people who were expecting to meet a bride in a palanquin and, when they withdrew the curtains, they found a cat. If this is a cat and not a bride, I do not think that the circulation of that cat will turn it into a bride. (Laughter.) But possibly my Honourable friend might be influenced by the opinions received, and if they all said : " No, you are wrong; this is not a cat ; this is a bride ; " he would have been prepared to accept their opinions. Sir, if my Honourable friend had been here, I should have liked to put it to him, though one does not like to refer to physical infirmities, that it was quite obvious while he was making his speech that my Honourable friend was rather short-sighted. (Laughter.) I would have suggested to him that perhaps with a change of spectacles and use of his own eyes, he might have discovered the truth, namely, that this is a very desirable bride and not a cat.

At least if my Honourable friend sits on the Select Committee, I hope to be able to persuade him that that is so.

Now, the main discussion has centred on this question of whether it is desirable to have a State Bank or a Shareholders' Bank or perhaps rather on the phrase that we have used, " freedom from political influence ". I do not want to say much on that, but I just want to put to the House in the very simplest terms what we understand by this phrase and what the essential purpose is which we have sought to preserve in this Bill. It is, of course, obvious that in modern life and in modern economic organisations, there are two important functions : they are the functions of those who have to raise and use money and there are the functions of those who are responsible for producing the actual tokens of money, the money in circulation. The basis of the whole proposal for setting up an independent Central Bank is to keep those two functions separate. The largest user of money in a country is the Government, and the whole principle of the proposal is that the Government, when it wants money to spend, should have to raise that money by fair and honest means in just the same way as every private individual has to raise money which he requires to spend for his own maintenance. If the Government is in control of the authority which is responsible for exercising the other function, then all sorts of abuses can intervene. I could spend hours taking Honourable Members through examples of what has happened very particularly in the concluding years of the War and the years since the War,—the many examples which there are of Governments which could not resist the fatal temptation of using the note-printing press to help them out of their difficulties or where banks were in control of currency, of forcing the Central Banks to make advances to them on terms which would never have been admitted as regards private individuals. History is full, recent history particularly is full of examples of countries being brought into the most serious

trouble, in many cases into absolute chaos by that process ; and the experience of all countries has pointed to the same conclusion and has produced a practically universal public opinion that it is desirable that the control of currency and credit operations should be in the hands of an authority independent of Government. Now, Sir, I may be told that that has not been the case in India hitherto. It is no part of my purpose to defend the present system. I quite admit that in principle it is wrong and that was admitted when the original Reserve Bank Bill was brought forward. But the need, if I may say so, becomes much more urgent when the responsibility for finance is going to pass into the hands of a popularly elected ministry. A popularly elected ministry must be much more influenced—Honourable Members opposite are always basing charges against us on that face—a popularly elected ministry must be much more influenced by political feelings and by the play and manœuvre of political parties, while a popularly elected ministry cannot have that continuity which we, as an official Government, have had, and it is essential that if the monetary policy of a country is to be successful, it must be directed with a continuity of policy and I say, again, with independence from the sort of political influence which might be brought to bear. (Hear, hear.) Now, Sir, this is not a question of our attempting by this means to set up some sort of alien authority in the country which will diminish the legitimate powers of the Indian Legislature. We hope that this Reserve Bank will become a trusted part of Indian public life and that it will be a truly independent institution and that it will command the confidence of Indian opinion. We believe that that will be the result, and I would go further and say that, if that is not the result, then the whole purpose of these proposals will fail, because, if that institution has not got the support of Indian opinion, it will not be able effectively to act as a check on the operations of the Government of the day. It will be quite impossible for the Governor General in the new Constitution to give that institution the necessary authority to provide the check and the balance that we want unless it has the support of independent opinion behind it. I trust Honourable Members will consider this matter in the light of what are likely to be the conditions in the future. So many of the Honourable Members who have spoken have spoken under the influence of prejudices which have had their birth in the conditions of the past, but all that is going to be changed and it is in the light of the future that Honourable Members should consider this matter. (Hear, hear.) Now, Sir, if we want that independence, it seems to us quite obvious that the Bank should be independent of the Government of the day and there is no known device other than that of setting up a Shareholders' Bank which, according to the experience of other countries, can achieve that purpose. It is in the honest belief that that is the best device which can be provided that we have launched these proposals. But like all other human institutions, this also will not be perfect. It will have great difficulties no doubt in its early years. It must learn by experience ; but if it has Indian opinion behind it, then, I think, it will grow into the position which is desirable in order to give a proper balance to the general financial policy of the country. That, Sir, is the reason why we have put forward these proposals and I do not think I need say anything more on that subject.

Certain Honourable Members have put to me the question whether this idea of a Shareholders' Bank is part of the principle of the Bill. Sir, I think in its technical sense that is probably an issue which you will be called upon to decide if any point of order is raised at a later stage. But

[Sir George Schuster.]

I think possibly the practical side of the matter is of more importance than the theoretical side. As to that, I wish to leave Honourable Members in no sort of misunderstanding as to our position. On the one hand, we do not wish to put a pistol at the heads of Honourable Members opposite and say to them that, after three days' debate, they must regard themselves as committed to the principle of a Shareholders' Bank, or otherwise to vote against the Bill or to refuse to serve on the Committee which may be elected. On the other hand, I wish to leave them under no sort of misapprehension that we have considered this matter very carefully, we have not had three days but many months and even years to consider it and we can see no other way of achieving that purpose which I have just described except through the method of a Shareholders' Bank. Now, Sir, having said that, I want to say again that we certainly do not want to exclude from this Committee Members who take the contrary view. I should want them there for two purposes, first, I should want them there in order that I might have a chance of convincing them that this is the right idea, because, Sir, if we launch this measure, we want to launch it with the maximum support from Indian opinion. I should want them there for a second purpose and that is to discuss their objections to a Shareholders' Bank idea in the hope that by considering those objections we might find ways of meeting them. We do not claim that our proposals, as they stand, are absolutely perfect. We welcome the opportunity of discussing them with those who take the contrary view in the hope that out of that discussion some agreed measure, which is better than our own original proposal, may emerge.

Now, Sir, there is one other topic on which I feel it necessary to say something and that is the question of the monetary system itself. I think I have made it clear on every occasion that I have spoken on this Bill that we do not consider that the ratio question arises at all in connection with it. We consider that this Reserve Bank is a piece of machinery which is to be set up to administer the system which is now going to be determined by the present Bill. Sir, I had prepared some remarks in order to explain the position still more clearly, but I had put before me just before I came in a leader from a paper which, I am sure, will command the confidence of Honourable Members opposite, and, I hope, perhaps command from my Honourable friend, Mr. B. Das, a little more confidence than those papers which he is now so fond of quoting, the *Statesman* and *Capital*. This is a leader from the *Hindu* of the 22nd August. The general purport of that leader was to urge Indians to concentrate on the main points of our proposals and not to be diverted by side issues. Having started on this note the writer proceeds as follows :

" Take, for instance, the criticisms levelled at the 18d. ratio. It is not our purpose now to enquire whether that ratio has proved ruinous to the country and is still working havoc. It has been argued that a study of the price levels in India compared with those that have obtained in Britain, Europe, the United States and other parts of the world will show that the steeper fall of the commodity prices in India has been due to the artificially high eighteen pence ratio and that but for gold exports our international balance-sheet would have stood disrupted beyond recognition. Granting that this is so, how is that a reason for asking the Assembly not to agree to place the Bill on the Statute Book ' without adequate consideration of the various factors connected with the present ratio ' ? The constitution of a Reserve Bank, which will so regulate currency and credit as to subserve the best interests of the country, ought not to be delayed longer than is absolutely necessary ; and for our part, we see no reason why

a fresh decision on the ratio question, doubtless after a prolonged enquiry, should be insisted on as an essential preliminary to the starting of the Reserve Bank. Today, the entire international monetary machine has been thrown out of gear; and the World Economic Conference which, it was hoped, would restore something like stability to the disorganised currencies of the world only succeeded in making confusion worse confounded showing that he who waited to attain currency stability in order to improve his business would long have waited in vain. One has no means of predicting when the time propitious for securing monetary stability will arrive; the only thing one can say is that it will not be in the immediate future. Is it wisdom, in the circumstances, to postpone the inauguration of a Reserve Bank till after we succeed in our quest for stable money? We do not think so and we shall be only playing into the hands of those who—wrongly but for their own purposes—have asked with all the authority of British vested interests that the establishment and successful operation of a Central Reserve Bank are a condition pre-requisite for the transfer of finance into the hands of a responsible popular Federal Government, indeed, of any responsibility at the centre. If, however, the conditions for ensuring currency stability make themselves felt sooner than we anticipate, the passing of the Reserve Bank Bill and the establishment of the Bank would have made the stabilisation of Indian currency at the proper level not more difficult, but appreciably easier."

Then, there is one other passage which I should like to read. I apologise to the House for the length of the passages I am reading :

"One other point of criticism made of the London scheme is that by continuing the sterling-rupee link, Indian interests will stand subordinated to those of Britain. Now, this will be so if the Indian Legislature were impotent and the Bank itself becomes an anti-Indian body. But such a development is not contemplated under the reforms. As a matter of fact, the Reserve Bank will be constituted by an Act of the Indian Legislature and under its authority; and it will have full powers, subject to certain constitutional restrictions, to control and supervise its policy. Today, whether one wishes it or not, the rupee is linked to sterling; and, so long as the direction, course and volume of India's trade and financial transactions continue as they are at present, the rupee will and must show a strong tendency sensitively to react to changes in the pound sterling. One may link the rupee to any currency one likes, but the external value of the currency must continue to be dominated by the trade connections which it subserves. The linking can only help to regulate the oscillations where they are not uncontrollably violent, and should India's affinities show striking changes in the future, we have no doubt the legislature then will take the measures necessary to keep the currency in conformity with them, delinking it from sterling and linking it with gold or whatever may seem called for in the then circumstances. If these facts are borne in mind, the course of the discussions on the proposed Bill will be calculated to be more helpful and fruitful of results than if they are ignored."

Sir, I think that that is a very good statement of the case, made not exactly from my own position, but strongly reinforcing the point which I want this Assembly to keep in mind. So far as this Bill is concerned, that is all I think I need say on the matter; but, as the question has been raised in debate and as the Preamble to the Bill itself refers to this question, I wish to say just a few more words. The point of the passage in the Preamble is to indicate this—that if a time comes when the leading countries get back to an international gold standard, possibly at new parities, then the Indian position will obviously have to be reviewed and some basis different to that of our present basis will have to be adopted. That alone is the intention which is indicated in the Preamble. Now, Sir, I do not want to say anything on the merits,—I do not want to enter into a long discussion on the merits of our present policy. But I should like just to say this—that pending such review in the meanwhile and considering that our main trade relations are with England and that all our external obligations are in terms of sterling, there are such enormous advantages in maintaining stability of the value of the rupee in terms of sterling that no one who is responsible for India's finances, can possibly contemplate with a light heart disturbing that stability. It is our duty, of course, as we are linked with sterling, to take every opportunity of

[Sir George Schuster.]

representing to the British Government the Indian needs for a rise in the level of prices and to press them to pursue a policy to that end. That duty, I can say, we have done our best to discharge, and the speech of mine made at Ottawa which my Honourable friend, Mr. Thampan, quoted with approval is an illustration of one occasion of the way in which we have sought to discharge that duty. We have been fortunate enough to have two occasions recently, one at the Ottawa Conference and one at the World Conference in London, to meet in close consultation with the British authorities and with the representatives of the other Dominions. And, I am sure, some of our Indian colleagues, who were present on those occasions, will testify that India's case has been well represented and represented with some effect. I think I may claim that we have undoubtedly influenced the policy of His Majesty's Government, and I know that His Majesty's Government are so fully apprised of our position that they are taking our position into account in all that they do. In the meanwhile amid the uncertainty which prevails everywhere, if I look round the world, I find it difficult to see any surer refuge for money than the rupee on its present sterling basis. Now, Sir, if we are going to bring this scheme to fruition, if we are going to maintain the reserves which we have already accumulated and to accumulate further reserves, we must do nothing to disturb the surety of that refuge. We contemplate doing nothing of that kind and I should like to warn all those who are desirous of speculating on a contrary event that they will be singularly unwise to do so.

Now, Sir, I have covered the main topics which have been raised in this discussion. I think I may take it that the general feeling of the House is that this Bill should be referred for further discussion in the Joint Committee. I can only tell all those Honourable Members who have spoken that we shall do our utmost to meet the points which they have raised. All I ask for is that they should enter those discussions with the sole desire of devising something which will be useful to the new India and not with their minds filled with prejudices born in the past. With these words, I think I can ask the House to approve of this motion, without division. There is only one small point which I must make before I sit down and that is this : there stands on the paper an amendment to the effect that the number of the members of the Committee shall be 28. I think that amendment has not yet been formally moved ; but, on behalf of Government, we have already said that we are prepared to accept that amendment if it is the wish of the House to have a larger Committee. (Cheers.)

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor : Non-Muhammadian Rural) : Sir, I formally move the amendment :

“ That in the motion, for the figures ‘ 24 ’ the figures ‘ 28 ’ be substituted.”

Mr. President (The Honourable Sir Shanmukham Chetty) : The original question was :

“ That this Assembly do recommend to the Council of State that the Bill to constitute a Reserve Bank of India be referred to a Joint Committee of this Assembly and of the Council of State, with instructions to report on or before the 20th November, 1933, and that the Joint Committee do consist of 24 members.”

Since which an amendment has been moved :

“ That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st December, 1933.”

The question is :

“ That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st December, 1933.”

The motion was negatived.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That in the original motion, for the figures ‘ 24 ’ the figures ‘ 28 ’ be substituted.”

The motion was adopted.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That this Assembly do recommend to the Council of State that the Bill to constitute a Reserve Bank of India be referred to a Joint Committee of this Assembly and of the Council of State, with instructions to report on or before the 20th November, 1933, and that the Joint Committee do consist of 28 members.”

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 14th September, 1933.

LEGISLATIVE ASSEMBLY.

Thursday, 14th September, 1933.

The Assembly met in the Assembly Chamber at Eleven o' Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

MESSAGE FROM THE COUNCIL OF STATE

Secretary of the Assembly : Sir, the following Message has been received from the Council of State :

" I am directed to inform you that, at the meeting of the Council of State, held on the 13th September, 1933, the Council rejected the motion that the Bill to prevent Juveniles from smoking Tobacco, as passed by the Legislative Assembly, be taken into consideration."

THE IMPERIAL BANK OF INDIA (AMENDMENT) BILL.

The Honourable Sir George Schuster (Finance Member) : Sir, I move :

" That this Assembly do recommend to the Council of State that the Bill further to amend the Imperial Bank of India Act, 1920, for certain purposes, be referred to a Joint Committee of this Assembly and of the Council of State, with instructions to report on or before the 20th November, 1933, and that the Joint Committee do consist of 28 members."

With your permission, I have inserted the number 28 in the motion which I have just moved instead of 24 which stands in the notice paper for today. Sir, I trust the House will consider it unnecessary to debate this motion, because we regard it as essentially part of the plan which was dealt with in the motion which was moved yesterday. Our purpose is to get a Joint Committee set up for dealing with the Imperial Bank of India (Amendment) Bill at the same time as the Reserve Bank of India Bill, and we trust that this House, when the time comes, will approve that the same Committee should deal with both Bills. Sir, I move.

Mr. President (The Honourable Sir Shanmukham Chetty) : Motion moved :

" That this Assembly do recommend to the Council of State that the Bill further to amend the Imperial Bank of India Act, 1920, for certain purposes, be referred to a Joint Committee of this Assembly and of the Council of State, with instructions to report on or before the 20th November, 1933, and that the Joint Committee do consist of 28 members."

Mr. Vidya Sagar Pandya (Madras : Indian Commerce) : Sir, before I speak on the merits of this Imperial Bank of India (Amendment) Bill, I feel that I owe an apology to the Honourable the Finance Member for being absent yesterday when he spoke on his motion. When I had made my criticisms on his Reserve Bank of India Bill the other day, it was my duty to be present to listen to what he had to say in reply, though, under the present constitution, I recognise that I had no right of reply. I had taken permission from the Leader of my Party to stay away, as

[Mr. Vidya Sagar Pandya.]

we were under the impression that the discussion on the Bill would continue till at least this morning. However, I made a mistake, and I apologise to the Honourable the Finance Member for my absence.

Sir, I do not propose to utilise this occasion to reply to some of the criticisms of the Honourable the Finance Member, but, as I speak on the present motion, I shall try to explain how he has misunderstood me in certain matters.

Sir, the Imperial Bank of India Act of 1920 is so badly drafted that when I had the occasion to ask two of the Finance Members of the Government of India as to what they thought about the Act, they both said that it was not possible for them to make either head or tail of it. It is so confusedly drafted that it is very difficult to be understood by lay men, and when even Finance Members of the Government of India find it difficult to understand it, you can imagine, Sir, how difficult it will be, for ordinary mortals, to understand it. In the present drafting of the Bill, though many important improvements could have been effected, I find that no attempt has been made to improve it at all. For instance, there are nearly 12 or 15 clauses which are absolutely redundant at present. It would have been better if they had overhauled the whole Act and re-drafted it wholesale. What is the use of retaining in the present Imperial Bank of India (Amendment) Bill the clauses which related to the original amalgamation and the first distribution of shares to the shareholders and other things which do not apply to the present position. All that should have been removed and the Bill should have been drafted in such a form that it could be understood by those who cared to read it. As such, I hope the Joint Select Committee, when they meet at Delhi, will give some attention to this matter and put the Bill in such a form that it will really serve the purpose for which it is intended.

Now, Sir, coming to the Bill and the clauses, it will be a sigh of relief to several banks—indigenous banks in India—that this mother-in-law of all banks

An Honourable Member : Step mother-in-law.

Mr. Vidya Sagar Pandya : All right, call it step mother-in-law if you like, of all banks in this country is now going to be deprived of some of her power and prestige which she was not using properly, because, in these days of reform, the daughters-in-law do not want to be governed in that high-handed manner in which the Imperial Bank of India has been treating them, especially the Indian banking institutions in this country. Now, the Indian Joint Stock Banks must be allowed to have a free hand in their working without the obstacles put by the Imperial Bank in the past. When the Indian banking institutions have asked for the bread, the Imperial Bank has given them a stone. Now, what I urge is that the Imperial Bank should no longer work under false colours. We must make it distinctly clear that the Imperial Bank, except that they are going to be the sole agents of the Reserve Bank of India, should not interfere with the Indian banking institutions, and the public should not get a false impression that it is still a Government Bank. Unfortunately, in India, we have got a weakness for things which are connected with Government, but, hereafter, all the business of local boards, municipalities, Courts of Wards, High Courts, etc., should be given either to all the banks alike according to their soundness and position, or entirely to the Reserve Bank. We do not want the Imperial Bank to be

constituted in such a way that it will get all the Government business. Though in some matters there is no specific direction that the funds should be invested in the Imperial Bank, there have been occasions on which their friends in several places have taken advantage of even misrepresenting matters and compelling the parties to put their money in the Imperial Bank. If you will permit me, I will give you an instance. Two parties, when they quarrelled, went to the High Court of Madras, and it is usual that, when there is such dispute, the money is put in some bank till the case is disposed of. Now, one of the parties proposed that the money should be deposited in one of the Indian banks. The Judge said : " Well, it is the practice to put the money only in the Imperial Bank ". The Vakil for the other side said : " I agree to the money being put in the Indian institution where it will earn interest safely. Both the parties agreed, and the Judge then remarked, " I am also prepared to agree to it ". But the Registrar of the High Court said : " It has never been the practice to put such monies anywhere except in the Imperial Bank "; he repeated that " the money can only be invested in the Imperial Bank and in no other bank ". The Judge told the Registrar : " I give you some time to look up the rules and show me any provision where, when both the parties agree and the Judge also agrees, it is provided that the money should be put only in the Imperial Bank and in no other bank ". The Registrar looked up the rules and regulations, but found nothing to support him. As a result of this, the money was deposited with an Indian institution while all along the impression was that the money should be put only with the Imperial Bank. Subsequently, I understand that there has been issued a confidential circular letter to some departments from some authority that parties should be made to keep their money with the Imperial Bank only. As such I request that the matter should be made so clear that the people may not be misled in these things and the indigenous institutions may not suffer on account of any wrong impression created by the close connection with the Government, and the old prestige the Imperial Bank has enjoyed for these so many years.

Now, Sir, the wording of the new amendment is such that practically the Imperial Bank will do the business of the Government though as the agent of the Reserve Bank. What I wish to know is, if, there is any mishap to the Imperial Bank, the loss would be recovered by the Government from the Reserve Bank or the Government stand to lose, whether it is the joint liability of the Imperial Bank and the Reserve Bank, for the Imperial Bank is going to be the sole agent of the Reserve Bank and the public must deal only with the Imperial Bank, it being the sole agents of the Reserve Bank. The position should be made absolutely clear so that the public may not misunderstand that the Imperial Bank is a Government Bank, as in the case of the Bank of Bombay, when it failed, the shareholders went up to the Privy Council and said that the Government had identified themselves so much with the Bank of Bombay that they were entitled to claim compensation from the Government for its mismanagement. I hope the Bank will also hereafter not style them in their advertisements, as they have been doing, " The Imperial Bank of India, Bankers to the Government of India ". I won't go to the extent of suggesting that there should be a change of name of the Imperial Bank, because, in other countries, the words " Royal ", " Imperial ", when attached to a bank, have been considered as if it is a Government or Central Bank. Only I

[Mr. Vidya Sagar Pandya.]

want that there should be no misunderstanding in such matters in the future.

Now, Sir, the Imperial Bank of India, for the concessions they are going to get under the new arrangements, should be made to render some more national public service. Neither in the Reserve Bank Bill nor in the present Imperial Bank of India (Amendment) Bill is there anything to compel the Imperial Bank to give us remittances at any particular rates. In the matter of remittances they have been making distinctions. The Bank has till now been working under certain restrictions. Now, those restrictions are to be removed. We know how muzzling is helpful and saves the public from inconvenience and injury. Now, under the present Bill, they are going to be allowed to do exchange business without any hindrance. They can open branches, and some of the restrictions, regarding the investment of funds, have also been removed. As such, the Bank will be a very formidable rival to the Indian institutions. Added to that, they will get a commission calculated on the total of receipts and disbursements dealt with annually on account of the Government of India by the Imperial Bank on behalf of the Reserve Bank of India. We have heard about charging a certain commission on debit balances, but not on both debit and credit balances, as the Schedule now contemplates giving 1|16 per cent. on the first 250 crores and 1|32 per cent. on the remainder, on both payments and receipts. That is rather very unusual. In the past, they had been opening branches at stations where there were branches already of other banks. Formerly, they used to consult the Government of India before they opened any branches in any new places. Now, that restriction is being removed, and it will be open to them to go on opening branches anywhere they like and in some places it may be difficult for the indigenous banks to go on with their business in the face of the competition from the Imperial Bank which enjoys so many privileges and concessions.

Speaking about the connection with the Government, even in the clauses of this Bill, as amended, the notifications and other information which they have to give to the public is done only through the Government of India Gazette. All the notices of meetings and transfers of officers from one place to another are published by notifications in the Government Gazette. In one of the clauses, as it has been drafted, the notices are to be published in local newspapers in English and vernacular. I would suggest that these notices should be given entirely in the newspapers. Of course if they wish to insert notices also in the Gazette of India....

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair would remind the Honourable Member that, under Standing Order 39, at this stage the House can discuss only the general principles of the Bill and not go into such details as to what papers must be chosen as the medium of advertisement.

Mr. Vidya Sagar Pandya : My object was to show that they wish to continue to exploit the prestige of their connection with the Government, by confining themselves entirely to the Government Gazette.

Then, I come to another complaint and that has not been set right in the Bill. In a Shareholders' Bank, there are certain difficulties in obtaining the copies of the Shareholders' Registers. The cost at the rate of ~~six~~ ¹² annas per hundred words is prohibitive. The result is that it is

not possible for the shareholders to take concerted action even if they so desire. As such, the Bill requires amendment in that direction so that the shareholders may be able to exercise their right to the full extent as they should.

I need not speak about the Directors of the Imperial Bank. I have already spoken enough. The Honourable the Finance Member yesterday accused me of 'a general exercise in mud slinging at Directors of Banks, past, present and future'.

Mr. Lalechand Navalrai (Sind : Non-Muhammadan Rural) : He also accused you of shortsightedness.

Mr. Vidya Sagar Pandya : Yes, a reply to it will come in its proper place. I am sorry that the Finance Member should have misunderstood me completely. When I spoke of it, I was referring to the system and not to the persons. I have got the highest regard for gentlemen like Sir Purshotamdas Thakurdas, the Honourable Sir Maneckji Dadabhoy and another gentleman whom he had mentioned. I have got the highest regard for them. What I was trying to explain was the system under which the seats on the Boards of the Imperial Bank became a life tenure and monopoly of certain firms and community. Some of the firms have for more than 50 years been sending up only their partners to fill up the gaps and nobody else. I do not think that all the banking experience and knowledge is a monopoly of only the partners of only seven particular firms on each Board. When I objected to certain nominations by the Government, I did it more on account of the way in which they were made, not on account of the persons. There is no reason why the Government of India should allow only superannuated gentlemen to continue so long. In all Government departments men retire after a certain age. Viceroy, Governors and Executive Councillors even go out after a certain period. Some of the Directors were not physically fit even to attend any meetings and they were being continuously nominated from year to year without any change. Now, I want to know how many of them regularly attended the meetings. These gentlemen are as old as 80 or 90 years.

Mr. President (The Honourable Sir Shanmukham Chetty) : Will the Honourable Member explain how all this is relevant to the present motion ?

Mr. Vidya Sagar Pandya : The point is that in spite of the representation made by the Chambers on the matter, the Government have not amended the Bill to remove those objections in the working of the Imperial Bank.

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order. It is perhaps well at this stage that the House should understand what exactly is the scope of the motion that we are discussing. We are not discussing the entire affairs of the Imperial Bank, nor are we discussing the whole of the Imperial Bank of India Act. The House must understand that position. The scope of the present Bill is confined to three points—to remove the control of the Governor General in Council over the affairs of the Imperial Bank in certain respects, secondly to remove certain restrictions imposed on the Imperial Bank's transaction of business under the Imperial Bank of India Act and, thirdly, to enable the Imperial Bank of India to enter into certain agreements with the Reserve Bank. The constitution of the Directorate of the Imperial Bank and other matters, not covered within the scope of this motion, are

[Mr. President.]

not relevant to the issue at présent before the House, and Honourable Members will not be entitled to discuss the whole of the Imperial Bank of India Act.

Dr Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : May I speak a few words on this point, Sir ? In view of the fact that we are sending the Reserve Bank Bill and the Imperial Bank Bill to the same Committee and also on account of the fact that the constitution of the Reserve Bank will be of the same type as that of the Imperial Bank, I think it is important that we should be allowed to point out that the Imperial Bank of India has been so much mismanaging their affairs that it is not worth our while to copy out its constitution, or even to mention its name in the Reserve Bank Bill.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair quite realises the argument of Dr. Ziauddin Ahmad that it is open to Honourable Members to say that in view of the way in which the Imperial Bank has managed its affairs, it ought not to be permitted to enter into this agreement with the Reserve Bank. But what the Honourable Member, Mr. Vidya Sagar Pandya, was attempting to do was to analyse the constitution of the Imperial Bank and to suggest that no steps are being taken to amend the constitution of the Imperial Bank of India. Now, such a discussion will be entirely out of order.

Mr. Vidya Sagar Pandya : I bow to your ruling, but I beg to submit that the Bill contains an item constituting a new Board. Therefore, I submit, that it is quite relevant to discuss the working of the Imperial Bank in that respect. We should be allowed to speak as to how the Board was constituted formerly, how it failed to do its duty and how in future we should provide for a set of Directors who will be able to manage the affairs better ? Therefore, I hope, Mr. President, you will not over-rule me if I make any remarks about the constitution of the Bank. Of course, I do not want to make any remarks about the particular Directors who are at present on the various Boards of the Imperial Bank of India. I hope that part is quite relevant to the issue.

Mr. President (The Honourable Sir Shanmukham Chetty) : The scope of the Bill has been explained to the House by the Chair and the Chair wants to leave it to Honourable Members to confine their remarks to the scope as defined in the Bill. I will leave it to the Honourable Members to do it.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : Sir, I remember you ruled, that preamble does not necessarily govern all the clauses. If, in the clauses of the Bill, the Mover expressly deals with the re-constitution of the Directorate, I hope you will allow us to discuss it.

Mr. President (The Honourable Sir Shanmukham Chetty) : It will certainly be within the scope of the discussion, but the enormous mass of details in which the Honourable Member is going will certainly be out of order.

Mr. Lalchand Navalrai : I rise on a point of information, Sir. As just now stated by the Chair, we do realise that there are three questions that are involved as questions of principle in this Bill. But may I know

that when we have been talking with regard to these questions, especially with regard to the removal of restrictions, and also making an agreement with the Reserve Bank, is it not within the purview of this House or the discussion that we should point out the defects that have been experienced in practice so that, when an agreement is made, notice should be taken of those defects and flaws. For instance, if you will permit me to say so, they have a certain principle, namely, if a shroff of the bank goes on leave, then he is to be made responsible for all the defalcations that may happen in his absence.

Mr. President (The Honourable Sir Shanmukham Chetty) : Certainly that point will be out of order.

Mr. Lalchand Navalrai : What I am submitting is that there are certain defects that have to be

Mr. President (The Honourable Sir Shanmukham Chetty) : Order, order : The Honourable Member cannot make a speech now.

Mr. Lalchand Navalrai : I am not making a speech, but I am speaking on a point of information. What I submit is this. Under this Bill, we are making a new agreement with the Reserve Bank and there are certain defects, of which we are aware, which should be removed or improved. I wanted to know from the Chair whether we could go into those points or not.

Mr. B. Das (Orissa Division : Non-Muhammadan) : May I rise on a point of information, Sir ? The Bill aims at the modification of the control of the Government of India over the Imperial Bank. As the Government of India failed in the past to properly control the action of the Imperial Bank of India and as they are going further to empower the Imperial Bank of India for a number of years to be bankers of the State in spite of that failure of proper control, may we not be permitted to discuss the past mis-control of the Government of India over the Imperial Bank ?

Mr. President (The Honourable Sir Shanmukham Chetty) : When the Honourable Member will rise to speak. I will see whether he is in order.

Mr. Vidya Sagar Pandya : I will bow to your decision and will not go into the clauses. But in such matters I feel that it is necessary that the old history as well as the traditions and the matters in which they have gone wrong should be mentioned and, in the light of our experience in the past, we should make a change. I hope, Mr. President, you will permit me to speak on those matters.

Now, Sir, the Imperial Bank is going to be the sole agent of the Reserve Bank and, for some years to come, it would not be possible for the Reserve Bank to open Branches to the extent that the Imperial Bank has done. Therefore, at least for five years or so most of the business will be done by the Imperial Bank of India and it has been our ideal and also the ideal of the Government of India that we should have this institution under the control of Indians, for India and to be run by Indians. The Government have recognised that the Indianization of the Imperial Bank shall continue. During the last few years the Imperial Bank has done something in that direction, though they did not do even a fraction of it for nearly a century. Still, we do feel that the

[Mr. Vidya Sagar Pandya.]

sole agent which will work for the Reserve Bank should be an institution which is run by Indians and for Indians. I do not see how it will be possible for the Bank to be under the control of Indians when certain restrictions are removed. The new constitution is such that, if they institute any further Local Boards, only their Directors and the Secretary will come to the Central Board and to the extent that Indians are unable to exercise their franchise and elect the members according to their own choice, Indians cannot get in. The principle, which the Government have recognised, that is, the Indianisation of the Imperial Bank, has not been incorporated in the Bill. In fact, the Bank will be managed by Europeans only—European Directors in majority, European Managers, Governors and European Secretaries. Then, I want to ask, how it would differ from the Exchange Banks? If a foreign-managed institution is required, why not entrust the work of the Reserve Bank on behalf of the Government to the bigger institutions like the National Bank, the Chartered Bank and other Banks? Now, Sir, the Governor General in Council will have no hand in the choice of the Managing Governor and the Deputy Managing Governor and the Board will go on appointing Europeans.

Now, I come to a very important matter which has not been set right in this Bill in spite of protests by the Bombay Shareholders' Association and other Chambers also. Under the Act, it is open for one member with 199 proxies to carry on a meeting of the Shareholders. There is no limit prescribed for the number of persons to be present at a meeting. The way in which proxies are collected, either by the Bank or by their friends—it comes to the same thing—is such that there is great abuse of this system. In the Bill they have actually provided a clause with a view to making the use of proxies more easy. They have incorporated a clause here that in the case of power of attorney previously deposited, i.e., permanent proxies which are in the several head offices, they need not be brought to the place where the meeting is held, but it is enough if the Secretary of any such Local Head Office gives a certificate that he is holding these proxies at a particular place. This is a further facility for the use of these proxies. I think generally it ought to be the policy of a Bank not to interfere with votes, but, as I have shown from the figures, we find that there are certain number of standing proxies in the name of certain officers or directors. I know the case of one of the Presidency Banks—it is not then the Imperial Bank—where they sent printed and stamped form of proxies in favour of their Directors saying "I appoint Mr. so and so, a Director, as my proxy. failing him Mr. so and so, a Director. failing him Mr. so and so, a Director". Thus they adopted a new printed proxy form for the occasion and they defeated the object of free exercise of votes by the shareholders. So, under the constitution, we should provide that there should not be any canvassing by the officers or Directors or their friends specially among those who are indebted to the Bank and the shareholders should be allowed to make their own choice. In this connection I may draw the attention of the House to what an Association had said on the matter of collecting proxies. They say that unless the matter was made secure under the law, it would not be possible for the shareholders to exercise their rights properly. Another suggestion that I

wish to make is that the bank officers should not indulge in any speculation in Government securities. I have not got a copy of the *Bank Worker*, the organ of the subordinate staff of the Imperial Bank where they have accused the officers of indulging in speculation in certain securities, because they were allowed to invest their provident fund in a particular way. I think the clause should be so amended that there may not be room for any such suspicion. I also suggest that some limit should be placed on the age of Directors. This provision is found in some of the European Banks on the Continent. Generally with age is associated certain experience and wisdom. Under the pretext of experience and sane wisdom some of the Directors are kept on indefinitely and they are re-appointed. Now, up to a certain stage, age and experience is good. But it is bad when it goes far beyond that stage, when it is not physically possible for them to attend a meeting and think rightly. My Honourable friend, the Finance Member, accused me of physical infirmity at the age of 57 and I wonder how he justifies the appointment at the ages of 80 and 90 years. Everybody is liable to infirmity and everybody has his weaknesses, and I never thought the Honourable the Finance Member will go to the extent of accusing me of short-sightedness. I wish to see things with my natural eyes and not through the official glasses. I cannot put on official green spectacles and see everything green when it is not so. I must decline to give up all my judgment and all my experience, and take the Government view only through these coloured glasses. With regard to my reference to the London Committee, the Honourable the Finance Member said that the Members who had gone there were "bold enough and had the ambition to attack the Government". A rare thing indeed. He mentioned two or three names, but if he had gone further up the list and mentioned the names of the other gentlemen, I do not think even those gentlemen will claim that they had any ambition of criticising, much less attacking, the Government and ruining all their chances of being ever appointed on the Select Committee and other Committees. Then, the Honourable the Finance Member, with reference to the bride I spoke of, said that it was not possible to turn a car into a bride...

The Honourable Sir George Schuster : Is my Honourable friend in order in replying to a speech which was made on a measure which the House has already disposed of? The arguments which my Honourable friend is referring to were advanced on a totally different measure and I suggest that my Honourable friend is entirely out of order in replying to a debate on a motion which this House has already passed.

Dr. Ziauddin Ahmad : Honourable Members on the Government Benches have always the last word to say and we non-officials have got no chance to reply to their criticisms. The only chance for us to reply to them is when a similar question is under debate.

Mr. Vidya Sagar Pandya : The Honourable Member said that I had indulged in mud-slinging about the Directors and, in his speech, yesterday, he quoted very jubilantly the comments of the *Hindu* which is no doubt a leading paper, not only in Madras but in the whole of India and so ably edited by my old friend, my good friend, Mr. A. Rangaswami Iyengar. I have the highest regard for my friend and his paper. If the Honourable the Finance Member will kindly take the trouble of going through the old files of the *Hindu* and see what comments the *Hindu* has made about the working of the Imperial Bank in the past, he would find, it surpasses any so-called mud-slinging by anybody

[Mr. Vidya Sagar Pandya.]

here. I hope he will bear those comments also in mind when, for the time being, it is very convenient to quote that paper. Sir, when one gets into the London atmosphere, he begins to think in that way, and I am not surprised that the learned and able editor of the *Hindu* was also somewhat carried away by the London atmosphere—the great show and pomp and the importance given to the Bill and the members and the minority in which he found himself. But I think, Sir, I can easily, within a few months, quote from any paper a leader to contradict its own remarks previously made ! Did not the learned Editor of the *Hindu* agree to the principle of a State Bank and fought for it in this very House ? I want to know why he has given up that and gone back to a Shareholders' Bank ?

Sir, before I close, I am very sorry to have to speak about one matter and that is about the age and experience of the Directors of the Imperial Bank. Here I may tell you a little story. At one of the Executive Council meetings in India, a very liberal Governor was presiding, and when a Council meeting was going on, one of the Executive Council Members was always dinning into his ears that he should not care about this press agitation and public criticism, but should be guided by his accumulated experience and other Members' accumulated experience of 30 years. And, whenever the Governor spoke, he trotted out this theory of his accumulated experience. Then the Governor lost his patience. "Well, Sir," he said, "if you attach so much importance to that, I may tell you that your accumulated experience of 30 years means that you are out of touch with the progress and public opinion and out of date by 30 years". So are these gentlemen, who are past 70, 80 or 90 years, with their infirmities, unfit to look after a Bank like the Imperial Bank of India which is performing the functions of a Bank to the extent they were allowed to do. It is a most scandalous part of the whole management that the Directorate should be confined to any particular firms or class or that the Directors should be allowed to sit there when they are really not fit for it.

Sir, I have some more points regarding the clauses of the Bill, but as the Honourable the President has ruled it otherwise, I will obey the order of the Honourable the President and will not take them up. Sir, I thank you for your indulgence.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor : Non-Muhammadan Rural) : Sir, before I agree to the motion before the House, I should like to make one or two observations with regard to it. In consequence of the proposed introduction of the Reserve Bank, necessarily certain privileges, that the Imperial Bank of India enjoyed, had to be withdrawn and, with the withdrawal of those privileges, the restrictions that were placed on the operations of the Imperial Bank have also to be withdrawn. That follows as a necessary consequence. One of the restrictions is that hitherto the Imperial Bank was not allowed to do any internal commercial business or foreign exchange business. All these years India's foreign exchange business has been financed by foreign banks that have established themselves in this country. Sir, it is estimated that the total volume of foreign exchange amounts to the extent of 600 crores of rupees annually and India had to depend upon the facilities that are provided by these foreign exchange banks. So it is quite essential that when the

privileges so long enjoyed by the Imperial Bank are removed, the future Imperial Bank should be allowed to do foreign exchange business also and, with the prestige and position of the Imperial Bank, it will be in a very good position to compete with foreign exchange banks and offer facilities for India's trade. Of course these restrictions were hitherto necessary, because the Government were allowing large cash balances, something like 15 to 20 crores, to lie with the Bank without interest and consequently they expected that the bank should not enter into any risky or speculative transactions. And, further, the joint stock and other banks also had to deposit a portion of their cash balances with the Imperial Bank and hence it was not allowed to compete with these banks. Now that these restrictions have to be removed and cash balances are not allowed to the Imperial Bank, and that the Imperial Bank is relegated to the position of the other joint stock banks, it must be allowed free scope to do foreign exchange business as well as internal commercial business. So far, it is quite necessary.

Then, Sir, with regard to the agency business that is to be given to this Imperial Bank hereafter to do the business of the Reserve Bank, wherever the Imperial Bank has got its branches, I have to submit, as I said yesterday, that the Imperial Bank should not be given the sole privilege of acting as Agent of the future Reserve Bank.

The Honourable Sir George Schuster : Sir, may I rise on a point of order ? The last thing I want to do is to suggest that the discussion should be restricted, but the point that I want to make is that in the Bill, which was considered by the House yesterday, there is a clause to this effect that "the Bank shall enter into an agreement with the Imperial Bank of India, etc.". The House has already approved the reference to a Committee of the Bill laying down that the Reserve Bank shall enter into an agreement with the Imperial Bank of India. My point is that, in taking that action, the House has dealt already with the vital part of the matter which Honourable Members are seeking to discuss today. As far as the present Bill is concerned, all that it will provide is that it shall be lawful for the Imperial Bank to enter into an agreement with the Reserve Bank to undertake certain functions. I suggest that the points which are being made today could have been more profitably made in connection with the motion of yesterday, and I think Honourable Members took ample advantage of that opportunity. My Honourable friend, who just spoke, used the words "as I said yesterday", when he was commencing one of his remarks. Now, Sir, I do suggest that it really is out of order in connection with this Bill to enter into matters which have been discussed in connection with the Bill of yesterday. And, in taking the point of order, there is one point that I want to make to Honourable Members. I do suggest that it is not in the public interest that a discussion on these lines should proceed today. All these points can be

12 Noon.

discussed in Select Committee. I myself will be under the greatest possible difficulty in replying, in the present debate, to accusations made against the Imperial Bank, because, although, I think there might be very good replies, I do not want the Committee to take up anything but an impartial position. In the Committee we shall have an opportunity of hearing the case against the Imperial Bank and the case for the Imperial Bank, because I trust the Committee will agree to allow representatives of the Imperial Bank to appear before it. But that sort of thing is impossible in a debate of this kind in the House at the present stage. Therefore, in rising to make this point of order, I had a point of substance in my mind.

Mr. T. N. Ramakrishna Reddi : My contention is not that the Imperial Bank should not enter into any transactions with the Reserve Bank or that the Reserve Bank should not enter into any sort of agreement with the Imperial Bank to act as its Agent : if that was my contention, then I will be out of court ; but that is not my contention. I emphasise again that the Imperial Bank will be in a very good position to act as agent of the Reserve Bank wherever it or its branches exist. I do not oppose that contention. On the other hand, what I was developing was that such privilege ought not to be the sole privilege of the Imperial Bank, but that it should be extended to other indigenous banks so that they might do business side by side. In places where there is a branch of the Imperial Bank and also other efficient banks working, we want that tenders should be called for for the work of the Reserve Bank to be done. That is all my contention. I have never said that the Imperial Bank should not enter into any relationship with the Reserve Bank. That was my contention yesterday and that is my contention today, and it is relevant to this point in issue whether the sole privilege ought not to be given to the Imperial Bank. It is only to the word "sole" that I take objection. I have no objection absolutely that it should act as an agent for the Reserve Bank in out of way places where no other banks exist. My only contention is that it should not be put in a position of undue advantage over other indigenous banks. My contention is also relevant for this reason : it is contemplated that some crores of rupees ought to be placed at the disposal of the Imperial Bank free of interest : you will find it in the Schedule.....

The Honourable Sir George Schuster : Will my Honourable friend point out where the words "sole agent" occur in the Bill which is now before the House ?

Mr. President (The Honourable Sir Shanmukham Chetty) The House must recognise that the Chair would have considerable difficulty in defining the exact lines within which the discussion today on this Bill must be confined. In the face of that difficulty, I can only make an appeal to the House. The House had ample opportunities of discussing for three days the Reserve Bank of India Bill. Properly speaking, the discussion on the two Bills must have taken place simultaneously. It is because our rules do not provide for the consideration of a motion on two Bills at the same time, that the motion had to be split up. With regard to the details of the agreement of the Reserve Bank with the Imperial Bank of India, that was clearly within the scope of the Bill which we have disposed of, and I think Honourable Members will not be in order except just to make passing reference to that agreement ; with regard to the substantive point raised by the Honourable the Finance Member, I think the Chair also would endorse what the Honourable the Finance Member has said. I know that the House as a whole takes a very keen interest in the affairs of the Imperial Bank which, after all, is a public institution created by an Act of the Imperial Legislature, and the House is legitimately entitled to take an interest in the affairs of that institution. In fact, in spite of the attempts of this House on previous occasions, the House has not had very full scope for having such a discussion, and this Bill no doubt provides such an opportunity ; but I would also suggest this : that, as responsible representatives of the people, we must be very cautious in what we say with regard to the management of such a delicate institution as a Bank, because it might have serious repercussions

in the financial world. The Select Committee is the proper place where a thorough investigation can be and ought to be made about the affairs of the Imperial Bank before this Bill emerges from the Select Committee ; and, I think, after giving the Select Committee the opportunity to go into the details, it will then be perfectly open and justifiable on the part of Honourable Members at a later stage to go into the details of the management of the Imperial Bank. I would suggest that at this stage Honourable Members will be well advised in the public interest not to go into too many details.

Mr. T. N. Ramakrishna Reddi : On that point my only contention was that the privilege of sole agency should also be extended to other banks.

We are now removing those restrictions that were hitherto imposed on the bank : it was because the bank was given certain cash balances free of interest, that certain restrictions were placed ; now this Bill seeks to remove those restrictions, and the privilege of keeping cash balances has been removed. But in its place it is contemplated to allow certain amounts to the extent of a five to six crores to be given free of interest, and hence I am opposed to all the powers of the Governor General being taken away from the Imperial Bank in the matter of nominating directors or governors. Some sort of control must continue in the working of the Imperial Bank even after the Reserve Bank is established, because the Bill contemplates that that Bank should act as an Agent for the Reserve Bank and certain facilities are going to be given to the Imperial Bank. With these remarks, I have no objection to supporting the motion for reference to Select Committee.

Mr. S. C. Mitra : Sir, the Imperial Bank of India (Amendment) Bill is a necessary corollary to the Reserve Bank Bill and, as such, it would not have taken even a couple of minutes to refer it to the Select Committee ; but as my friend, Mr. B. Das, has pointed out, though this is an amending Bill, really under cover of it, we are enacting an Imperial Bank of India Act for 25 years. By efflux of time, the life of the old Imperial Bank of India Act, enacted in 1920, is over, and it is not in the same position as in 1928, a mere amendment consequential to the introduction of the Reserve Bank Bill. I appeal to you, Sir, to look to this side of the question in allowing us to discuss about the principles of this Bill. I shall strictly follow your ruling. I shall not go into any detail ; but, at the same time, I think if we examine the Bill merely as an amending Bill, we will not be doing full justice to this Bill. Had there been no Reserve Bank, certainly Government would have come even earlier than this date with a new Imperial Bank of India Act to continue their agreement with the Bank. The experience of Indians of the way in which the Imperial Bank behaved is well known. The Presidency Banks which were later on incorporated into the Imperial Bank, which was the Bankers' Bank or the Central Bank for India, has not, all these years, done justice to Indians in general, and to Indian agriculture in particular. It was certainly helpful to the European industries, but not to the Indian industries even in the least degree. We have our complaint against the working and management of the Imperial Bank, but, Sir, as you have advised us, I shall not go into details at this stage. I myself introduced a Bill for amending the Imperial Bank Act during the last Session, but, through the whims of the ballot box, I did not get a chance to discuss the Bill till now. I wanted to introduce

[Mr. S. C. Mitra.]

mainly two principles, one was about the statutory recognition of the Staff Unions by the Imperial Bank and the other was that, in the re-organization of the Directorate, there should be representation of the Indian staff also. I don't think I should now ventilate those grievances. If it is not beyond our scope, I shall try to raise those points in the Select Committee ; but, I think, when we are amending this Bill in name, really we are amending the Imperial Bank Act for another 25 years....

The Honourable Sir George Schuster : I am afraid, Sir, there is some little confusion in the mind of the Honourable Member about the agreement between the Imperial Bank and the Reserve Bank and the Imperial Bank of India Act. We are not enacting the Imperial Bank of India Act for another 25 years. I think my Honourable friend has got the question of the agreement in his mind.

Mr. S. C. Mitra : Is it not a fact, Sir, that the Imperial Bank of India Act has already expired, and that it has been given an extension of life, in view of the impending legislation regarding the Reserve Bank ?

Mr. President (The Honourable Sir Shanmukham Chetty) : The Chair thinks the Honourable the Finance Member has made the position clear. The Honourable Member has evidently confused the operation of the Imperial Bank of India Act and the operation of the agreement between the Government and the Imperial Bank. So far as the Chair understands the position, it is the agreement that has terminated, but the Act has not terminated, and it cannot terminate until it is repealed by this House.

Mr. S. C. Mitra : Was it not extended for another two or three years ?

The Honourable Sir George Schuster : It is the agreement that my friend has in mind. The agreement was made for ten years, and it is now running on from year to year, and not the Act.

Mr. S. C. Mitra : My point is whether we are not binding ourselves for another 25 years about the agreement ?

The Honourable Sir George Schuster : That has just re-inforced the point I have just made,—that the agreement which the Reserve Bank is to make with the Imperial Bank has already been provided for and it is dealt with in the other Bill.

Mr. S. C. Mitra : Now, Sir, as the Honourable the President has ruled; that we cannot discuss one Bill without the other, I shall not go into details. But as my friend, Mr. Reddi, has put it, so long as we agree to the other Bill being sent to the Select Committee with the clauses that the Imperial Bank will be the sole agent of the Reserve Bank in all places where the Reserve Bank will not start its own branches, I think we are very much interested to see, as long as those clauses are not suitably amended, so as not to give a complete monopoly to the Imperial Bank in the future, that the interests of Indians do not suffer. However, as the Honourable the President has said, there will be time enough to discuss these points in the Select Committee, and so I don't like to develop these points further at this stage.

Mr. B. Das : Sir, I rise to oppose the consideration of the motion (Reference to Joint Select Committee) before us. I do not think the Honourable the Finance Member will in any way be put in a delicate position if the House carries out the proposition which I am putting forward, because thereby only one particular clause (clause 33) contained in the Reserve Bank Bill will have to be omitted. Sir, I am not a financier, as the Honourable the Finance Member is, nor am I the conscience-keeper of the bankers, as the Finance Member is, and so I shall suffer from the same disabilities as the previous speakers have suffered, of course with the notable exception of my friend, Mr. Vidya Sagar Pandya. I may speak things which may encroach upon the ruling which you have just given or it may affect matters which my friend, the Finance Member, does not want to be known in public interest. I do not know, Sir, what he means by public interest. It was very difficult for the Finance Member to explain what "distressed gold" was, but I would like to ask him what he means by public interest—whether it is the interest of the Government of India or the interest of the Imperial Bank of India. We, the representatives of the public, here interpret public interest as the interest that affects the 360 millions people of this country, whereas my friend, the Finance Member's idea of public interest is the interest of the hush hush policy of the banking interest of India, the interest of the capitalists' vested interest, and the interest of Whitehall. Sir, I will try to keep myself within the ruling you have just given. I am here reminded of the Imperial Bank of India Act of 1920 which was passed by the old Imperial Legislative Council where men of banking experience did take part and did fight valiantly, but I do not like today to refer on the floor of the House to the speeches that were delivered by the non-official representatives then. I shall merely quote the speech of the Honourable Mr. W. M. Hailey (now His Excellency Sir Malcolm Hailey) who is now the conscience-keeper of Whitehall. While he moved that the Bill be passed, he referred to the various doubts and suspicions that were expressed by the Opposition, and he replied to them encouragingly and piously stated his views in these words. I do hope, when my friend, the Finance Member, will rise to reply, he will reply point by point categorically to this statement which I am quoting from the speech of the Honourable Mr. W. M. Hailey and tell us how far the Government of India have exercised their control on the Imperial Bank of India and how far the Imperial Bank had given effect to the pious wishes of the then Finance Member of the Government of India in their day to day routine work. This is what he said :

"I am sure that time and experience will dissipate the apprehension that the new Bank will prove a danger to the private banks of this country. For my own part I have never been able to envisage the position that the new Imperial Bank is likely to serve the needs of one class of the community or of one section of bankers. We ourselves have regarded it purely as a measure to extend banking facilities, and to render the money resources of India more accessible to the trade and industry of this country ; thereby promoting that financial progress which is an indisputable condition of the social and economic advancement of India. It was in this belief, Sir, that we first set our hands to this measure ; it was in this belief that, in spite of some opposition and misunderstanding, of our motives, we continued to press it on the Council ; and it is in the belief that the measure will give to us a great national institution having ample resources for the assistance of trade, constituting itself an example of sound banking to other banks, an institution which will assist not only the State, but the public, and all sections of the public—it is in the firm assurance in this belief that I now ask the Council to pass the Bill."

[Mr. B. Das.]

Nobody on this side of the House, nor the teeming millions of India, except the few Indian or European capitalists that are Directors or Governors of the Imperial Bank, can say that the Imperial Bank is a *national bank of India*. I challenge here and outside this House any Indian to say that the Imperial Bank is functioning as the *national bank of India*. I further say that the Imperial Bank of India has gone against every indigenous bank, because it has been the protege of the Government of India, because it handles the huge finances of the Government. It has become a bloated up bank, and, with its big financial reserves, it might be benefitting a few shareholders, but it has done infinite harm to the national interests of India. It has done infinite harm to the Indian trade and commerce. My friend—of course he was my friend—Mr. W. M. Hailey, here says :

“For my own part I have never been able to envisage the position that the new Imperial Bank is likely to serve the needs of one class of the community or of one section of bankers. We ourselves have regarded it purely as a measure to extend banking facilities, and to render the money resources of India more accessible to the trade and industry of this country...”

He also mentioned that it will serve all sections of the Indian public. I do hope that the witnesses, who will appear before the Joint Committee, will prove that they have served all the interests in India. We have asked questions of the present Finance Member and his predecessors. Figures were produced to show that more money was advanced to the European interests in this country than to the Indian interests. My opposition to this reference to a Joint Committee lies in the fact that in spite of my having certain differences about the Reserve Bank, I have welcomed its establishment. I have supported that there should be a Reserve Bank, but why should the Reserve Bank, which is to be vested with the powers which at present the Government of India exercise through their Chancellor of the Exchequer, hand over all their resources, their liquid resources to the Imperial Bank? Why should the Imperial Bank be at an advantage as against the Central Bank of India, or the Bank of India, or the Bank which my Honourable friend, Mr. Vidya Sagar Pandya, controls? We know the history of the Presidency Banks. They were European banks, though there might have been a large number of Indian shareholders. And the legacies of the Presidency Banks still continue in the management of the Imperial Bank. When we are turning a new leaf, when we are thinking in terms national, why should one particular bank receive these favours from the Reserve Bank and not the other banks? If we throw out this Bill, no harm will be done to the Government or to the country. Government may bring a Bill to repeal the Imperial Bank of India Act, and they may bring forward another Bill for entering into business transactions with all banks,—of course, Indian, with Indian Directors, banks which satisfy the conditions laid down in the External Capital Committee's report about the Directorate, about the share capital. The Government of India would then enter into transactions with them, and wherever other indigenous banks exist, they should give equal opportunity, and no preferential treatment should be given to the Imperial Bank.

Sir, things have gone wrong. The financial Swaraj or control which we were dreaming of has slipped out of our hands, partly through our mistakes and partly through the rally of the diehards in England. I do

not mind if my Honourable friend, the Finance Member, is a party to the financial safeguards in the White Paper ; it is his duty as a Britisher. But I would not like him to perpetuate this piece of injustice by permitting the Imperial Bank to squeeze out all other banks. I will only give one illustration. It is not a new thing ; it is well known to the House, especially to its older Members. When the Peoples' Bank of Lahore went into liquidation, did the Imperial Bank go to its rescue ? Rather there was a dinner party in Lahore celebrating the liquidation of the Peoples' Bank. But when the Alliance Bank went into liquidation, the Imperial Bank of India, though controlled by the Chancellor of the Exchequer of the Government of India, though controlled by this Legislature,—flat went round and the Finance Member ordered the Imperial Bank to take over the whole burden of the Alliance Bank. We asked questions after questions ; I do not know how many hundreds of questions were asked on the floor of this House. The final reply never came, nor did we on this side know how much loss the Imperial Bank suffered. Of course, I must say that that loss is covered by the huge free deposit of 200 or 300 crores of rupees which the Imperial Bank handles every year without paying any interest on behalf of the taxpayers. It is said that the shareholders or creditors of the Alliance Bank got only eight annas to the rupee. Is that so ?

Mr. Vidya Sagar Pandya : The Imperial Bank of India gave them funds to enable them to pay eight annas in the rupee to the depositors immediately.

Mr. S. C. Sen (Bengal National Chamber of Commerce : Indian Commerce) : The creditors got to the extent of about fourteen annas in the rupee.

Mr. Vidya Sagar Pandya : The creditors were paid eight annas immediately.

Mr. B. Das : The Imperial Bank, directed by the then Finance Member of the Government of India, came to the rescue of the Alliance Bank, and the scandals of Boulton Brothers and other European financiers, who controlled the Alliance Bank, did not see the light of day. This is the past history of the Imperial Bank of India, and today my Honourable friend asks us to hand over to it for a period of 25 years the control of the banking operations of the Nation ! Either the Reserve Bank is not going to be a national bank, or the intentions of the Government are not honest. If we vote for this Bill today, we shall be creating one particular vested interest against all other banking interests, and we shall be perpetuating all the evil aspects of the past history of the Imperial Bank. I appeal to my Honourable friends not to commit that mistake. I appeal to my Honourable friends to allow the Government time to think out and plan out, which they have not had time so far to do, amidst their other pre-occupations. I appeal to my Honourable friends on this side of the House to criticise the Bill in such a way that all indigenous banks of India have a chance to be agents of the Reserve Bank wherever they have branches. With these few remarks I oppose the pernicious proposition which is contained in this Bill.

I wish to point out that section 10 of the Imperial Bank Act, 1920, which is to be amended by clause 4 of this Bill brings out the meaning of

[Mr. B. Das.]

the words, "sole agent". Shall I read section 10? Section 10 says:

"It shall also be lawful for the Bank under any agreement with the Secretary of State for India in Council to act as banker for, and to pay, receive, collect and remit money, bullion and securities on behalf of the Government";—

and the amendment says:

"for the words 'the Secretary of State for India in Council' the words 'the Reserve Bank of India' shall be substituted."

The Honourable Sir George Schuster: But where is the expression "sole agency"? My Honourable friend said that he would show us where this expression occurred in the present Bill.

Mr. B. Das: What is in a word? I am explaining how clause 4 confers the sole power to the Imperial Bank of India.

The Honourable Sir George Schuster: My Honourable friend has not proved his point at all.

Mr. B. Das: It is very difficult to convince my Honourable friend, the Finance Member, but the Chair and every other Member of this House is convinced.

Mr. T. N. Ramakrishna Reddi: Will the Honourable Member make a statement that other banks will also work as agents to the Reserve Bank?

Mr. President (The Honourable Sir Shanmukham Chetty): That point really arises out of the Reserve Bank Bill. It is for the Reserve Bank to decide if they will have the Imperial Bank of India as their sole agents or they will have other banks also as their agents. This Bill only enables the Imperial Bank of India to enter into an agreement with the Reserve Bank, whereby the Imperial Bank will be the sole agent or one of the agents.

Mr. B. Das: I do not wish to prolong the agony of the Treasury Benches. Your ruling satisfies me, Sir. Those of us, who will be represented in the Committee, will see that the Imperial Bank does not become the sole heir of the State for millions of years. In consideration of that view, I can give my sanction if the Finance Member says that he will withdraw this Bill and bring out another Bill, whereby other indigenous banks will also be heirs to the funds of the Reserve Bank.

Mr. R. S. Sarma (Nominated Non-Official): I move that the question be now put.

Mr. B. Das: Is he the Government whip?

Mr. Lalchand Navarai: I am not opposed to this Bill at all. I feel that it will be inconsistent if we did not send this Bill also to the Select Committee. This Bill, connected as it is with the Reserve Bank Bill, should automatically go to the Select Committee. I am not going to make a long speech on this motion, nor shall I go into details. I am thankful to the Honourable the Finance Member when he got up to say that he takes note of the defects and irregularities of the Imperial Bank and that he will consider them.....

The Honourable Sir George Schuster: I really must reject my Honourable friend's praises. I never said anything of the kind.

Mr. Lalchand Navalrai : Then I do hope that the Finance Member who has been hearing the defects of the Imperial Bank, not only now, but also at question times, will give his attention to this at the time when he is making an actual agreement with the Imperial Bank. There is only one point to which I wish to refer and it is this. I had no opportunity to speak on the Reserve Bank Bill, but what I want to emphasize is this—that some of us on this side of the House are against any indirect election of the Directorate. The Directors, as I understand them under the Reserve Bank Bill, have to be selected by Local Boards. I find here some attempt is being made with regard to that under clause 28 of this Bill. It is said that the Central Board shall consist of the following Governors and so on and then a reference is made to the Secretaries of the Local Boards established by this Act and it is further said that if any Local Board is hereafter established under this Act, there will be such number of persons to represent it as the Central Board may prescribe.

The Imperial Bank of India Act is not with me and I am not in a position to say how the Directors are at present elected. I am told that the Directors are elected by the shareholders. That is the direct method of electing the Directors. That method I want for both the Banks, and I want to draw the attention of the Finance Member to this point of direct election and ask that it should be considered at the time of the Joint Select Committees' meeting. I have nothing more to say.

Mr. S. C. Sen : I have no desire to enter into the details of this Bill. This Bill is necessary for removing certain restrictions which were imposed on the Imperial Bank, because they were dealing with the Secretary of State, but I ask the Honourable the Finance Member in removing those restrictions to consider how far they are consistent with safety for the very large sums of money which will be handled by the Imperial Bank of India on behalf of the Government of India. If the future Imperial Bank of India is to be allowed to trade in all classes of things, as it is proposed to be done, how far would that be consistent with the handling of large sums by the Imperial Bank of India on behalf of the Reserve Bank? That is a point which should be considered by the Honourable the Finance Member when the Bill goes before the Select Committee. Much abuse has been showered on the Imperial Bank of India by my friend, Mr. Das. My experience in Calcutta is otherwise. When we approached the Imperial Bank on behalf of the Bengal National Bank, they immediately gave us 20 lakhs of rupees. I cannot forget the way in which the Imperial Bank came to our help on that occasion.

Mr. B. Das : One swallow does not make a summer.

Mr. S. C. Sen : As abuses have been showered on the head of the Imperial Bank of India, I have told the House what is our experience in this matter.

Mr. Vidya Sagar Pandya : They have declined to advance money even against Government paper.

Mr. S. C. Sen : They did not even look in our case into the securities which were being offered and they paid the money then and there.

Mr. T. N. Ramakrishna Reddi : Then they were not doing good banking business.

Mr. B. Das : Were the applicants Bengalees ?

Mr. S. C. Sen : Yes, the Directors of the late Bengal National Bank were all Bengalees. Then, another objection was raised by Mr. Pandya that the Bank Directors were guilty of sending proxies to the shareholders. Probably he has forgotten that that is a procedure which obtains in the case of every joint stock company in the world and that it is legalised is proved by decisions in the highest Courts in England. So there is nothing wrong there. If, for the purpose of the Bank and for the purpose of the business of the Bank, the Directors thought that they should approach the shareholders with proxies, there is nothing wrong in it. Sir, I need not go into further details. All I need say at this stage is that the restrictions, which are sought to be removed, should be carefully considered.

Dr. Ziauddin Ahmad : Sir, before I take up the general principles of this Bill, I would like to make some reference to two points mentioned by my friend, Mr. Vidya Sagar Pandya. The first point refers to age. I remember when I was a small boy in a school, some person came to examine me and put a simple question of arithmetic : If the price of a horse, whose age is 4 years, is Rs. 15, what would be the price of the same horse when it reaches the age of 24 ? I immediately multiplied the price of the horse with 6 and 90 was the answer. Then, everybody laughed and I thought that I had made a mistake. Then I reconsidered the matter and found out that the value of every living being increases with age up to a certain limit and afterwards the law of diminishing returns begins, and price at a certain age suddenly collapses. I think this was really the point which Mr. Pandya was trying to bring out. The second point to which I would like to refer is about the persons who went to London. I was unfortunately one of the persons who went to London, but I was not a member of the Reserve Bank Committee ; I did not take part in the discussion nor I signed the report ; I was a member of the Railway Committee. I left India with the full determination that I would oppose tooth and nail the scheme relating to the establishment of the Statutory Board and in order to equip myself I went to Geneva to gather some more facts in addition to what I already possessed. But when I carefully examined the administration and the working of the various Railways in Europe, I changed my mind on account of the convincing facts which were laid before me. Let me tell the House that this did not happen in the hot climate of London—because my experience is that the climate of London at that time was certainly hotter than that of Simla now—but I changed my mind in the cool atmosphere of Geneva. And when the time comes to discuss this question of the Statutory Railway Board I hope my distinguished Leader will give the Assembly an opportunity to discuss it, and then I will be able to lay before the House the exact reasons and facts on account of which I changed my opinion. Therefore, the House should give some concession to the persons who went to London. They had some honesty about them. It is quite a different matter that unfortunately the majority of the members of the Reserve Bank Committee consisted of persons who believed in the State Bank, but their honesty is not in question.

Now, Sir, I come to the subject matter of this Bill. I would have very much liked to have this Bill consisting of only two clauses. The first clause ought to have been that the Imperial Bank of India Act of

1920 is hereby repealed: and the second clause should have said that the Governor General in Council may be empowered to transfer all the cash balances and also take the necessary steps to transfer the credit of the country from the Imperial Bank to the future Reserve Bank. These two clauses would have been quite sufficient to meet our case. Then we would have left it to the Reserve Bank to make such negotiations with the Imperial Bank and other banks as it might think fit. Sir, I would like, first of all, to ask the question whether the Imperial Bank is a private bank or whether it is a State Bank? You cannot say that it is a private bank because we are enacting for the Imperial Bank. We are not enacting for the Simla bank or for other banks in this country. We are placing this Imperial Bank in a favoured position. So it is not a private bank. Is it a State Bank? I suppose the answer will be that it is not altogether a State Bank because the shareholders have got enormous powers. I do not like to go into the details as they have already been described by my distinguished friend, Mr. Vidya Sagar Pandya. The fact, however, is that it is neither the one nor the other. It is both a Shareholders' Bank and the Government Bank. Sir, this sort of thing you are demanding in the case of the Reserve Bank. Whatever irregularities they want to commit they may do without taking the risk of being criticised in the Assembly. You are creating a position in which neither the shareholders nor Legislature may be in a position to criticise. A shareholder as such has got no voice because one man's voice is always drowned by a shareholder who is holding 200 proxies in his pocket. It is not a case of one man and one vote. We cannot criticise it on the floor of this House. Therefore, I do not mind that it may either be a State Bank and its working criticised on the floor of this House, and its administration responsible to the Legislature, or be a private or a Shareholders' Bank. In the latter case we need not take the trouble of going into its affairs at all. If the Bank mismanages its business, it would suffer, and shareholders not the taxpayers would pay for mismanagement. Here what they are trying to do is this. The Imperial Bank is not doing anything for the benefit of the country and yet it is demanding the full benefit of the protection of Government. This is a very anomalous position and we should not allow it. I want to press that the question of the Imperial Bank ought to be left entirely to the consideration of the Reserve Bank when it is established and we, as Members of this Legislature, should not take part in its deliberations at all, except in one respect, if the Honourable the Finance Member may be willing to accept it, that the Act of 1920 may be repealed altogether and the Imperial Bank may be placed on the same footing as other banks. Sir, we have got the Act before us but no person either on behalf of the Imperial Bank or the Government has made out a case as to why the Bank should continue to receive the protection of the Government. If there was no Reserve Bank, then I could understand that the Government wanted a bank to look after its credit. But when the credit of the Government is going to be transferred from the Imperial Bank to the Reserve Bank, then there is no reason why we should continue to show the same favour which we have been showing for the last 13 years to this one particular Bank. It may be said that because we have been showing to this Bank special favour and because this Bank had been enjoying special privileges, it is accustomed to it and it should continue to enjoy them. If that is the argument which is

[Dr. Ziauddin Ahmad.]

brought in its favour, then the argument of my honourable friend, Mr. Pandya, will immediately come to the forefront, namely, that our experience is that the way in which you carried on the affairs in the past does not deserve the continuation of those privileges. Therefore I would very much like to be informed by those who are in favour of the continuation of these privileges to make out a case for the continuation of the privileges.

Another point I should like to refer to is this. If the Imperial Bank Act is to be enacted by us, and receive legislative authority, the Imperial Bank must be subject to the conditions of 'Services' laid down by the Home Department. If the Home Department make rules of appointment for the departments of the Government of India, then all departments which receive protection and favour from them should conform to those conditions. Similarly if the Imperial Bank is to receive legislative sanction, then they should submit to all the conditions laid down by the Home Department. This is one more point against the legislative enactment of the Imperial Bank if they refuse to submit to the conditions. Therefore, I strongly impress this fact that we ought to place all the indigenous banks in India on the same footing. We must not place one bank in a favoured position. If this principle is adopted then this legislation goes against that particular principle. We on this side of the House very strongly feel that no bank should be placed in a privileged position and therefore we cannot possibly agree to the continuation of the privileges enjoyed and misused so long by the Imperial Bank.

Another point that I wish to make out is this. India is no doubt an agricultural country. If any one wishes to give any advantage to India then he must take into the consideration the benefits of the agricultural classes. In this case the Imperial Bank has singularly failed. They may have failed on account of the provisions of the Imperial Bank Act. But they never demanded from the Government a change of that Act. The Imperial Bank never give any advance to the landlords on the security of landed property. I pointed out the other day that though the bank rate of interest has been reduced, it has been reduced only for the benefit of the industrialists and commercial men in Bombay and Calcutta. We, in Upper India, who pay very large taxes for the profits of the Imperial Bank, gain no advantage from them. They never give any advance on the security of agricultural properties and therefore the landlords are compelled to take money from the local bankers who have not reduced their rates of interest on account of the lowering of the bank rate of interest. Therefore, here also the Imperial Bank has singularly failed to help a very important class of India, namely, the agriculturists and the landlords and therefore this is another reason why they do not deserve any favour which we have been showing to them. No doubt the Imperial Bank was our favourite wife till now and the only wife till now, but now the Reserve Bank has come into existence and I think we should not have two. We should divorce the first.

The Honourable Sir George Schuster : Sir, my Honourable friend who has just spoken deserves, I think, the honour of the House in one respect above all and that is that he is not afraid of standing up in this

Assembly and stating that he has changed his mind. I am glad in a way that my Honourable friend has made his speech. I am sure he will not take it amiss from me if I say this to him. I think his speech discloses that he has not made that careful study of the affairs and position of the Imperial Bank that he has made of the position of the Railway Board about which we hear so much from him. Now, I put it to my Honourable friend in all seriousness—he always takes a part and a very important part in the discussions on the floor of the House—and I put it to him that before he again intervenes in the later stages of this discussion, let him go not to Geneva but to Bombay, Calcutta and Madras and seek...

Dr. Ziauddin Ahmad : In view of my experience in London, of which the Honourable Member is an eye witness, will he still advise me to go to Bombay ?

The Honourable Sir George Schuster : I say let him visit those places and let him seek discussion with those who are responsible for running the affairs of the Imperial Bank and let him put before them some of the points which he has made today. Sir, it is not my object, nor is it a proper part for me to appear in this House as the advocate of the Imperial Bank. There are many things which I would like in common justice to say but as I have already pointed out on the occasion of one of the interventions which I have made in the discussion today, I wish to say nothing now which will create the impression that I am in the least biased in my mind one way or the other as regards the statements that have been made as regards the Imperial Bank. There are many points which we shall have to enquire into in the Select Committee and there I trust Honourable Members will be willing to listen not only to one side but to both sides of the case. Sir, my Honourable friend, Mr. B. Das, asked me what I meant by reference to the public interest when I suggested to you that there were certain lines of discussion which it would not be in the public interest to permit today. Sir, what I had in mind was this. I was thinking of the public interest in an indirect way. I was thinking really of the cause of common justice and I do submit that it is in the public interest that the cause of common justice should be respected in this House. Many Honourable Members have spoken as advocates against the Imperial Bank but there is no one here who is competent to speak as an advocate for the Imperial Bank and I think it is just as well that that should be so because as I have already said I think the sort of case which has been made out is one which should be dealt with in the Select Committee and it cannot be dealt with properly in the course of a debate on the floor of the House. I still maintain that most of the speeches to which we have listened today ought to have been made, and in fact *were* made, in the course of the discussion on the previous motion and therefore I do not propose to deal with those speeches. The case of this motion I think is amply proved and, if I were to indicate, one way it has been proved, I am reminded of the days when I used to study Euclid and there was one method of proving a proposition which was called the *reductio ad absurdum*. I think the speech of my Honourable friend, Mr. B. Das, provides the *reductio ad absurdum* in the present case. My Honourable friend asked the House to reject this Bill altogether. I would ask the House to consider what that course would mean. The House has already approved the principle of a Bill which authorises the Reserve Bank to enter into an agreement with the Imperial Bank of India. The Imperial Bank Act, as it stands today, does not

[Sir George Schuster.]

authorise the Imperial Bank to enter into an agreement with the Reserve Bank but merely to enter into an agreement with the Secretary of State in Council. One of the main amendments in this Act is to make it possible for the Imperial Bank to enter into an agreement with the Reserve Bank if a Reserve Bank is set up. That, Sir, my Honourable friend would seek to make impossible and thereby he would, if this Legislature followed his advice, be making this Legislature a laughing-stock in the eyes of the world. I need not say anything more on that and I do not think the House will want to hear me on any of the detailed provisions of the Bill. They are all matters which can be discussed in the Select Committee and I think if I might sum up the general sense of the discussion today, it is not that an Imperial Bank Amendment Act is not required but that the present Bill does not go far enough.

Mr. B. Das : Yes, that is so.

The Honourable Sir George Schuster : That, Sir, is the view of the House and I think there is no one who can object to the motion that I have proposed.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That this Assembly do recommend to the Council of State that the Bill further to amend the Imperial Bank of India Act, 1920, for certain purposes, be referred to a Joint Committee of this Assembly and of the Council of State, with instructions to report on or before the 20th November, 1933, and that the Joint Committee do consist of 28 members.”

The motion was adopted.

THE INDIAN MERCHANT SHIPPING (SECOND AMENDMENT) BILL.

The Honourable Sir Joseph Bhore (Member for Commerce and Railways) : Sir, I move :

“ That the Bill further to amend the Indian Merchant Shipping Act, 1923, for certain purposes (Second Amendment), as reported by the Select Committee, be taken into consideration.”

1 P.M.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That the Bill further to amend the Indian Merchant Shipping Act, 1923, for certain purposes (Second Amendment), as reported by the Select Committee, be taken into consideration.”

The motion was adopted.

Clauses 2 to 34 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Joseph Bhore : Sir, I move that the Bill, as amended by the Select Committee, be passed.

Mr. S. G. Jog (Berar Representative) : Sir, the object with which I stand up to speak on this motion is that I do not want to see this Bill passed without a word from this side. I do not want this House to put in their silent approval to this Bill. On the 12th April last, when our

Honourable friend made a long speech on this Bill and there was a lot of discussion on it, the President on that night thought that the Bill was of a controversial nature and should be discussed at some later stage. We on this side of the House also thought that the measure was of a controversial nature and required further discussion, and on that night the motion for Select Committee, very much against the wishes of the Mover, had to be postponed. I had a talk with him immediately after that and I thought the Mover of the Bill had lost his temper for some time. But when the Bill came up before the House for the second time, the motion for the Select Committee was passed without much discussion. I also for some time thought, looking to the length of the Bill, that there must be some important questions involved which required some elaborate discussion.

Mr. A. Raisman (Government of India : Nominated Official) : Sir, may I rise on a point of personal explanation ? I think the Honourable Member said that, on the last occasion when this Bill was postponed, he spoke to me and I think he said that I lost my temper. I should like to explain that what the Honourable Member asked me was whether I would arrange for the meeting of the Select Committee to take place sometime before the present Session, and I must admit that as the motion had not yet been adopted, I said to him somewhat curtly that I was afraid it was not much use my collecting a Select Committee when the Bill had not been referred to one. That, Sir, is what happened.

Mr. S. G. Jog : I had no mind to criticise my Honourable friend, but I could see that he was very keen on this Bill and when he found that, it was postponed for some time, it appeared to me that he lost his temper. I absolutely had no mind to cast any aspersion on him. However, Sir, as it was given out, the whole principle of the Bill was safety first and safety last and all the clauses were introduced for ensuring the safety of the passengers and of the load that was to be put on the ships. There was some discussion when the Bill was before the Select Committee and there were some matters which, though not exactly relevant to the purpose of the Bill, were still matters of great importance from the public point of view ; and I am glad to find that recognition has been made of that in the Select Committee and I should like to read from it, otherwise the House may not take any notice of it. Of course I am also a signatory to the Select Committee's report :

“ Some of us are of opinion that the rules to prevent overcrowding of deck passengers are not being strictly enforced in all cases and suggest that an inquiry should be held into this matter and any action taken that may be necessary.”

I am very much thankful to the Chairman of that meeting and the official members in the Committee that they have taken a note of the suggestion on which we, the non-official Members, were very keen. The question of overcrowding, as in the Railways so in the ships, is a matter of grave concern to the general public, and I am glad to find that the official Members have taken note of it, and I only suggest to them that they should not stop here by merely making a note of it, but I hope they will make inquiries, and, wherever such a thing is found to exist, strict measures should be taken to stop this overcrowding. If they take this into consideration and put it into operation, I think the labours of the Select Committee will not have been in vain. This whole Bill refers to the safety of ships and, I think, in future, the safety of the ships will very much be assured. With these words, I support the motion that the Bill be passed.

The Honourable Sir Joseph Bhore : Sir, I will only detain the House for just a short moment. I really would like to see credit go where credit is due and I should like to say that the point to which my Honourable friend, Mr. Jog, referred was raised by my Honourable friend, Mr. Daya Prasad Singh. He raised it both in the shape of questions in this House and also during the discussions in the Select Committee, and I need only say that no recommendation coming from any member of the Select Committee will fail to receive the most careful consideration.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That the Bill further to amend the Indian Merchant Shipping Act, 1923, as amended by the Select Committee, be passed.”

The motion was adopted.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Shanmukham Chetty) in the Chair.

THE MURSHIDABAD ESTATE ADMINISTRATION BILL.

Mr. B. J. Glancy (Political Secretary) : Sir, I move :

“ That the Bill to provide for the appointment of a Manager on behalf of the Secretary of State of the properties of the Nawab Bahadur of Murshidabad and to define the powers and duties of the Manager, as reported by the Select Committee, be taken into consideration.”

I am glad to be able to say that the Select Committee, to which this Bill was referred, have sent in a unanimous report ; only very few amendments have been suggested in the Committee, and I do not think it is necessary for me to enter into them now. Certain members of the Select Committee have appended to the Committee's report a minute which runs as follows :

“ A number of creditors of the Nawab Bahadur have obtained decrees in the highest judicial courts. We feel sure that these decrees will not be lightly re-opened by the Manager under the powers which this Bill confers on him, but will be accepted as *prima facie* proof of the respective debts.”

That minute appears to Government to be a perfectly reasonable and unobjectionable statement of the position ; and Government are quite prepared to give an assurance that the Manager will act in accordance therewith. In the light of this assurance which I have now given, I venture to express a hope that Honourable Members may not find it necessary to move the amendments which stand in their names.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That the Bill to provide for the appointment of a Manager on behalf of the Secretary of State of the properties of the Nawab Bahadur of Murshidabad and to define the powers and duties of the Manager, as reported by the Select Committee, be taken into consideration.”

The motion was adopted.

Clause 2 was added to the Bill.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That clause 3 stand part of the Bill.”

Mr. Muhammad Anwar-ul-Azim (Chittagong Division : Muhammadan Rural) : Mr. President, it is certainly not my purpose to embarrass the Official Benches by moving this amendment. My sole object is to discharge a moral duty to my constituency on the floor of this House. I am not in any way connected with the estate of Murshidabad and I have no brief on behalf of the Nawab Bahadur.

Mr. President (The Honourable Sir Shanmukham Chetty) : The Honourable Member must move his amendment.

Mr. Muhammad Anwar-ul-Azim : Sir, I move :

“ That to clause 3 of the Bill, the following further provisos be added :

‘ Provided that the salary of the Manager, so appointed, shall not exceed rupees eight hundred and fifty per month, or a sum equal to the pension of a retired member of the Indian Civil Service whichever is less.

Provided that the Manager so appointed shall be a person on whom the Nawab Bahadur has full faith, and the Manager so selected or appointed shall furnish securities which will be a reasonable sum in the opinion of the Secretary of State for India ’.”

The mandate of my constituency is this : in Bengal, the Nawab Bahadur of Murshidabad is a big Zamindar : he has been occupying a big position amongst the zamindars of Bengal, but, in these days of retrenchment and things of that kind, perhaps Government will very seriously consider whether they will not like to suggest to the Nawab Bahadur to economise his expenditure. Personally I do not know who is the present holder of the coveted position of Manager to the Nawab Bahadur ; but this much I should say that he should not be getting any sum bigger than a first class City Magistrate in Bengal or, for that matter, the pension of a covenanted servant of the Crown, who retires after working in that province ; because we have precedents of estates perhaps quite as big—e.g., the estate of the Nawab of Dacca or of Mymensingh and other places in Bengal ; and if Government take a little trouble to ascertain really how much such Managers were getting there, I am certain they would not have any objection to accept this humble amendment. It seems that perhaps that bit of information is not available in the Department ; otherwise when they are going to do a good turn to the Nawab Bahadur, I am certain that they would have considered the sum of Rs. 850 or the pension of a Civil Servant, a very big sum indeed. If the present holder is getting more than Rs. 850, as against the debt to be discharged of nearly 20 lakhs, it seems to me that my amendment will not be a serious encroachment, rather a good saving. If Government have got a soft corner for the Nawab Bahadur of Murshidabad, if they want to do him a good turn, I am certain they should feel that even if he could be helped to save ten rupees from his budget, it will be a thing worth considering very seriously by Government.

I also wish that the Manager so selected or appointed should be personally known to the Nawab Bahadur, because I understand that perhaps Government in their benevolence go out of the way sometimes to foist things on people which they do not really like ; and the second part of my amendment, therefore, is this : that when they appoint a Manager,

[Mr. Muhammad Anwar-ul-Azim.]

it will be desirable even from an equitable standpoint to consult the Nawab Bahadur to see whether the gentleman, whom the Secretary of State may appoint as Manager, is one who would be able to pull on well with the Nawab Bahadur, because I do not think it is fair, least of all to the Government of India, to take advantage of the embarrassed position of the Nawab Bahadur and impose on him any one they like, simply because the Nawab Bahadur has gone to the length of contracting debts of doubtful considerations. The Nawab Bahadur may not dare to refuse anybody who might be foisted on him as Manager : so I say that when we are so solicitous, as it looks by the presentation of this Bill here, it would be as well to consult the Nawab Bahadur personally when they appoint the Manager.

I think that is all I need say on the present occasion with regard to the appointment of the Manager and the salary which he should draw. I am quite certain if a man who is not liked by the Nawab Bahadur is selected or appointed as Manager, things will not go on smoothly. Anyway, I know that there are very few chances of my motion being passed, but I have my responsibility to discharge in the matter, and, in answer to that, I have moved this amendment.

Mr. President (The Honourable Sir Shanmukham Chetty) : Amendment moved :

“ That to clause 3 of the Bill, the following further provisos be added :

‘ Provided that the salary of the Manager, so appointed, shall not exceed rupees eight hundred and fifty per month, or a sum equal to the pension of a retired member of the Indian Civil Service whichever is less.

Provided that the Manager so appointed shall be a person on whom the Nawab Bahadur has full faith, and the Manager so selected or appointed shall furnish securities which will be a reasonable sum in the opinion of the Secretary of State for India ’.”

Mr. S. G. Jog (Berar Representative) : I have great pleasure in supporting the amendment moved by my Honourable friend, Sir Anwar-ul-Azim.....

Mr. Lalchand Navalrai (Sind : Non-Muhammadian Rural) : He has not yet become a “ Sir ” ; he expects to be one shortly.

Mr. S. G. Jog : Out of the whole bargain, Sir, if anybody stands to gain considerably, I think it is the Manager who will be appointed to look after this estate. I have not the least idea as to the income derived by the Nawab of Murshidabad from his estate and so I cannot say whether the salary of the Manager is proportionate to the annual income which the Nawab Bahadur gets. I do not think the responsibilities attaching to the post of Manager are so heavy as to require the appointment of a man on such a high scale. Moreover, we have to see, with due regard to efficiency, that whatever is saved goes to redeeming the debts which the Nawab Bahadur has incurred. The Political Department, I presume, is conscious of the sanctity of the payment of debts, and if my friend's amendment is accepted, I think it will go a great way to doing justice to a large number of creditors who have advanced large sums of money to the Nawab Bahadur.

While on this subject, Sir, I should like to point out that there are a large number of estates in India which can be similarly said to be encumbered. I have no idea whether they can properly be under the pro-

tection of the Political Department, but if the Political Department have shown their solicitude for this single estate, I feel that they should similarly extend their solicitude to other estates which are similarly encumbered, and adopt measures to protect those estates and other noble persons who are in the same position as the Nawab Bahadur of Murshidabad. At the same time, I should like to give a fair and friendly warning to the Political Department that for a long time they sit quiet, simply watch the movements of these nobles and potentates,—probably the Political Department never care to give friendly advice in time not to exceed their annual limits of expenditure, and, when things reach beyond the stage of redemption, when these people incur heavy debts, only then the Political Department comes in.....

Mr. B. Das (Orissa Division : Non-Muhammadan) : Can they interfere legally in these matters ?

Mr. S. G. Jog : Well, my engineer friend has raised a point of law. So far as I know, my friend does not dabble in legal points.

An Honourable Member : Of course, he does.

Mr. S. G. Jog : I am glad to find that he dabbles in legal points also, but, Sir, this is not the time to go into the legal aspects of the question. The measure is before us ; it has been passed by the Select Committee, and it is no doubt the duty of the Government to protect the Nawab Bahadur, and as such, I must congratulate the Political Department for condescending to come in proper time to protect the dignity of this Noble Lord of Murshidabad. At the same time, they must take into account the question of equity in favour of the several creditors who have advanced large sums of money to the Nawab Bahadur. I have no exact idea of the age of the present Nawab, but I am told that he was born in the Sixtees or somewhere thereabout. Let us know what are the chances of all these creditors getting their money back. I know this amendment has nothing to do with that question, but I do think that the pay is quite disproportionate to the annual income of the Nawab Bahadur, and it considerably affects the position of the creditors, and, from that point of view, the amendment has been placed before the House.

With regard to the question of taking security, I do not feel inclined to support that amendment, because the person who is selected must be a man of means. I do not think that there is any necessity of taking any security from the person who will be appointed as Manager. With these few observations, I beg to support the amendment moved by my friend.

Mr. R. S. Sarma (Nominated Non-Official) : Sir, I strongly oppose this amendment, and my reason is very simple. A Bengal Minister, a friend of mine, replied very properly when there was a motion in the Bengal Council, I think, some years ago, that his salary should be reduced to one rupee per year. He very gladly accepted that, he was willing to accept one rupee a year, provided it was a suggestion that with the approval of the Government and with the approval of the Members of the Legislative Council he would be allowed to take bribes. The present motion is something like that. Here is the family of the Nawab Bahadur with an income of several lakhs of rupees, and a man who is going to administer the estate on behalf of the Secretary of State must be a very big man and must be above temptations. To expect a man on a salary of about

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Rs. 850 a month which a Deputy Magistrate in Bengal gets and to take up such a huge responsibility is, to my mind, unthinkable.

With regard to the second part of the amendment, Sir, the present Manager who is administering the estate on behalf of the Secretary of State, and who will probably continue to administer it on behalf of the Secretary of State under the new Act, is a man who has made a mark for integrity and ability in the Indian Civil Service in Bengal. He had held all the highest positions open to an Indian Civil Service man. He held the office of District Officer, he was Secretary to the Government of Bengal for a long time, he was a Member of the Board of Revenue and he was also Commissioner of a Division, and to expect a man of that ability and experience to work on Rs. 850 as is suggested in the amendment is, to my mind, absolutely impracticable. On these grounds, I strongly oppose the amendment.

Mr. Muhammad Muazzam Sahib Bahadur (North Madras : Muhammadan) : Sir, I would also oppose this amendment. Although I do not hold a brief, as my Honourable friend, Mr. Sarma, does, for the Manager, my anxiety is that in so far as it is the desire of the Secretary of State for India to protect the Nawab Bahadur and with that end in view to devise means and put into possession of the estate a Manager who would be able efficiently to discharge the functions that would be assigned to him under the Act, I think the Government of India is the proper authority which should be allowed to fix a reasonable salary for the work expected of the Manager. If I may throw out a suggestion, I would say that if the person to be appointed happens to be a retired Government official and if he gets an additional allowance for acting as Manager in addition to the pension that he has earned, I think a good portion of the money which would otherwise have to be paid to a man who is not in receipt of such a pension would be saved. I am not one of those who would suggest a particular sum, for instance, Rs. 850 or Rs. 950, for the man to be put in charge of this office. But I do think that by appointing a retired official much of the temptation which would otherwise attach to posts of this character would be done away with.

I find the amendment consists of two provisos ; one of which relates to the fixing of the salary of the Manager. It may happen that some of my Honourable friends are in agreement with that proviso and they want to oppose the other proviso. They should have been separately numbered. But for myself, I am opposed to both. The second proviso reads :

“ Provided that the Manager so appointed shall be a person in whom the Nawab has full faith, and the Manager so selected or appointed shall furnish securities...”

If it is the idea of the Government of India or rather the Local Government to appoint a person who is really in receipt of a pension, I do not think we need insist on his furnishing any security in the way in which my Honourable friend, Mr. Anwar-ul-Azim, desires. As for the confidence expected of the Manager, I would say, that unless the Manager has had relations already, for good or for evil, with the Nawab Bahadur of Murshidabad, I do not think that that question can come up at all. If you insist that the Nawab Bahadur should have confidence in the Manager, then the question arises, that generalising that position you

might as well insist that the Princes or Chiefs under the Court of Wards be first consulted as to the amount of confidence which they place in the Court of Wards. The Nawab Bahadur, as I can gather from the Act, is no better than a minor under the Court of Wards. As a matter of fact, the Manager will be in possession of the entire estate and he will exercise all the functions which, but for this Act, the Nawab Bahadur would have exercised, and as such I do not think that my Honourable friend is justified in demanding security from the Manager.

Mr. G. Morgan (Bengal : European) : I oppose this amendment and the grounds on which I oppose it have been already stated by the last two speakers. It is quite impossible to expect that for an estate of this size, with the responsibilities which would be on the shoulders of the Manager of this estate, a suitable Manager could be obtained for a salary of Rs. 850. We in the Select Committee had full details of the position, and there was no suggestion put forward that a limited salary should be given to the Manager. Sir, like the last speaker I hold no brief for the present incumbent of the post. I know him personally and I am sure he is quite suitable for the post, but I should not expect him to accept a post of this description on a salary of Rs. 850 with the responsibilities which are attached to that position. I understand that there would be about Rs. 3 lakhs after all payments under clause 7 with which he will have to deal....

Mr. Lalchand Navalrai : May I know how much he gets now ?

Mr. Muhammad Anwar-ul-Azim : Rs. 2,000.

Mr. G. Morgan : I do not know. With regard to the second part, I do not know really what the Honourable Member has in mind, but, as the last speaker said, the Nawab Bahadur is in the position of a minor under the Court of Wards. He gets Rs. 9,583-5-4 out of the estate and the management of the estate and the responsibility for that management lies on the shoulders of the Manager. I am quite certain that the Local Government will exercise the greatest care in the selection of a Manager for an estate of this description and I personally would feel every confidence in the selection made by the Local Government. Sir, I oppose the amendment.

Mr. Amar Nath Dutt (Burdwan Division : Non-Muhammadian Rural) : It appears to me from the title of the Bill that the present amendment is wholly outside the scope of the present Bill. The title of the Bill is :

“ A Bill to provide for the appointment of a Manager on behalf of the Secretary of State of the properties of the Nawab Bahadur of Murshidabad and to define the powers and duties of the Manager.”

That is all, and not emoluments, not to fix the emoluments. So, it appears to me that the present amendment is outside the scope of this Bill. However, as the amendment has been allowed, I beg to submit that I cannot agree with my Honourable friend, the Mover of the amendment. The first portion of the amendment wants to fix the salary of the Manager. Of course, I would be very glad if a Manager could be had not at Rs. 850, but even for Rs. 500 which is the maximum salary fixed for the Governor General under the Swaraj Government in future years. If my Honourable friend had moved his amendment on that ground I would have supported him. But, Sir, I cannot make out how he arrives at the figure of Rs. 850, and not Rs. 800 or Rs. 1,000.

The Honourable Sir Bepin Behary Ghose (Law Member) : Probably on account of the value of the gold mohur on the Original Side. I understand he is a Barrister.

Mr. Amar Nath Dutt : I am not a Barrister, I am an Indian Advocate for whose rights I have been fighting in spite of Government opposition. Probably 50 gold mohurs. I think his standard seems to me to be that of a member of the Provincial Executive Service. Even in that case, if my Honourable friend turns over the pages of any Civil List he will find that a selection grade Deputy Magistrate gets Rs. 1,000, and a selection grade Sub-Judge gets Rs. 1,200 now-a-days. So, Sir, he does not even go

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to the length of paying the highest salary of a member of the Provincial Civil Service and considering the responsible nature of the post and the halo and romance that hovers round the connection of the Government of India with that of Murshidabad, I think a more suitable salary is necessary, so long as the present state of salary continues in other departments of Government. (*Interruption by Mr. B. Das.*) About the romance every student of history knows. My friend being an Engineer does not probably know anything except Euclid. The salary provided here is certainly not adequate. I shall not enter into the personal question of whether the present incumbent deserves more or less but the sum suggested is insignificant. Then, Sir, the second proviso says :

‘ Provided that the Manager so appointed shall be a person on whom the Nawab Bahadur has full faith.’

The present position to which the Nawab Bahadur has been reduced is partially, if not wholly, due to his having been guided by men in whom he had full faith. If he had other advisers then the estate would not have been reduced to the present position. What is wanted is that the man should be one in whom the Government has full faith. I cannot therefore support this amendment.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions : Non-Muhammadan Rural) : As a member of the Select Committee, I think it my duty to oppose this amendment. Very wide powers have been vested in the Manager under this Bill. I can appreciate the standpoint of any gentleman who may be opposed to vesting such wide powers in any man but once it is conceded that considering the exigencies of the situation the Manager must be entrusted with extensive powers, it will be unwise to fetter the discretion of the Local Government to settle the emoluments of the Manager, and an amendment of this kind is not necessary. A low paid man may fail to discharge the duties that have been enjoined on him in this particular Bill. As regards the other point, whether the Manager should be appointed after consultation with the Nawab, I make no secret of the fact that this Bill has been brought forward in order to protect the Nawab against himself. That was the reason why the Select Committee was induced to give such wide powers to the Manager, because in some of these decrees of the courts, there might have been the connivance of the Nawab himself. So under the circumstances it is against the spirit and the principles of the Bill to make the appointment of the Manager conditional to the approval of the Nawab Bahadur. On these grounds, the amendment will not be acceptable, I hope, to the House.

Mr. B. J. Glancy : With regard to the first part of the amendment, there are, as my Honourable friend, Mr. Jog, has pointed out, a good

many enactments which run on lines similar to this Bill, though I am afraid that the Political Department cannot take the credit for having invented them. There are, for instance, the Oudh Talukdars' Relief Act, the Chota-Nagpur Encumbered Estates Act, etc., and to the best of my knowledge none of these or any other enactments contain any provision on the lines of those which are now proposed and it does not seem to be necessary that they should be incorporated in this Bill. All matters pertaining to the salary or security, etc., of the Manager can, I think, be very safely left to the Local Government, the Government of Bengal. I would only point out that the claims against the Nawab now stand at Rs. 19 lakhs and it seems to me obvious that you must have somebody as Manager in whom perfect confidence can be reposed. It may be possible later on as things settle down to decrease the salary of the Manager and appoint somebody else on lower pay. As regards the second part of the amendment, after what my Honourable friend, Mr. Sarma, pointed out it is unnecessary for me to say anything at all, except that the Nawab Bahadur need have no cause for any apprehensions. In fact he has every reason to congratulate himself.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That to clause 3 of the Bill, the following further provisos be added :

- Provided that the salary of the Manager, so appointed, shall not exceed rupees eight hundred and fifty per month, or a sum equal to the pension of a retired member of the Indian Civil Service whichever is less.

Provided that the Manager so appointed shall be a person on whom the Nawab Bahadur has full faith, and the Manager so selected or appointed shall furnish securities which will be a reasonable sum in the opinion of the Secretary of State for India ’.”

The motion was negatived.

Clause 3 was added to the Bill.

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That clause 4 stand part of the Bill.”

Mr. A. Das (Benares and Gorakhpur Divisions : Non-Muhammadan Rural) : Sir, I move :

“ That in clause 4 of the Bill, to the paragraph beginning with the word “ secondly ” the following proviso be added :

- Provided however the clauses firstly and secondly hereinbefore mentioned shall not be applicable to cases where any court of competent jurisdiction has passed a decree declaring any charge or lien on any specified income or incomes ’.”

In moving this amendment, it is not necessary to go into the details of the previous history of the Nawab of Murshidabad beyond 1838. At that time his stipend stood at Rs. 16,00,000 a year out of which Rs. 7,50,000 were allotted for his personal expenditure. Later on this stipend was reduced and certain privileges enjoyed by the former Nawab were abrogated. The salute of 19 guns was also reduced to 13 guns in 1869. The Nawab went to England to represent his grievances to the House of Commons which in 1871 rejected his appeal, by a majority of 57 votes. He continued to reside in England and following the old traditions of the family became heavily involved on which a Commission had to be appointed to arrange with his creditors on the 1st November, 1880. He resigned his position and renounced all

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rights of interference with the affairs of the Nizamath in consideration of an annual stipend of £10,000 and on payment to him of 10,00,000 in settlement of various miscellaneous claims and a suitable provision for his children born in England. Thenceforward the title of Nawab Nazim was replaced by the title of Nawab of Murshidabad which was conferred on Syed Hasan Ali Khan, his eldest son. Subsequently Syed Hasan Ali Khan was given the hereditary title of Nawab Bahadur of Murshidabad in 1882 and that of Amir-ul-Omrah. Subsequently Act XV of 1891 was passed and an indenture was attached to the Act for the support and maintenance of the Nawab Bahadur and of the honour and dignity of the estate. Since then he has been running recklessly wild in contracting debts in spite of the fact that he had sufficient income. Sir, from that time onwards to the best of my information he has been receiving a monthly sum of about 19,66,000 as a political pension. Besides this the income of the landed property ran to several lakhs annually. The House will easily see that the political pension and the private income is more than that of even the Viceroy of India and if any person cannot manage his household with such a large income whose is the fault? He cannot be said to be a *pardahnashin* woman with no education. But on the contrary he has not only had Indian education but also European education and if a man cannot cut his coat according to his cloth whose is the fault? I am of opinion that the passing of the Act of 1889 was itself a mistake and if anything the Government is responsible for inducing the habit of extravagancy in him by making him believe that his estate will be secure and giving him undue liberty to borrow as large as he can without any corresponding obligation of payment. Look at what was the result, although the protection provided was ample in 1891.

Mr. Muhammad Muazzam Sahib Bahadur (North Madras : Muhammadan) : I think my friend has strayed far away from the point at issue. What my friend has been saying is absolutely irrelevant to the amendment which he has moved.

Mr. A. Das : Still instead of having a check on his extravagancy it had the counter effect of increasing his habit of running into fabulous debts partly for consideration and it may be partly without consideration. The Government had paid him amply for relinquishing his title and estate and I do not know what further circumstances have come into light by which the Government have certainly become alive, as if by some prick of conscience, to wipe off his debts and pass another enactment of which the Bill is before the House without any regard to the just claims of those who have advanced money to him. When the money was needed the Nawab Bahadur adopted all sorts of cajolry and inducements to attain his immediate ends either by fair or foul pretences and he did obtain a certain amount of valid consideration. If he, in order to meet his immediate ends, when receiving the full consideration, entered into bonds and agreements for a larger amount, the fault was entirely his, particularly if it is looked at in the light of Act XV of 1891 from the point of view of the creditor, who had no security for his advance, because his immovable property was not liable to attachment under the said Act. Can a lender of money be blamed if, as an additional security for his debts, he took a bond of a larger amount than what had been actually advanced? It is no argument to say, that

because some money-lenders have entered into a partly shady transaction, therefore even the amounts which they have actually advanced should not be looked into. If this position is conceded, I am afraid, then the majority of the Members of this House would like to be in the position of the Nawab Bahadur of Murshidabad to borrow money and get out of their liabilities.

As to the private life of the Nawab, I am only to invite the attention of the House to a memorial submitted to His Excellency the Viceroy, copies of which I presume have been supplied to most Members of the House and since the information is more or less of a public nature, there is no harm in my inviting the attention of the House to the fact that the heir of the present Nawab Bahadur had married a Jewish girl whom he recently divorced and the Jewish wife had obtained a decree for *Denamahar* (for a dower debt of over a lakh of rupees) and the said heir-apparent, it is said, has again married an English girl lately divorced by her Bengalee husband. If a person chooses to enter into such matrimonial relations and after marrying once relinquishes her and thus involves himself in financial difficulties whose is the fault. How does the Bill propose to correct the heir-apparent of this habit, so far as such matrimonial connections are concerned so that he cannot marry as many wives as he likes and divorce them as early as he marries them and get out of his liability for payment of any dower debt and other debts that may be required for all such marriages and festivities concomitant on it with the result perhaps that after a few years another Bill of a more restricted nature will have to be passed in his favour.

Coming to the legal aspect of the case, the claim of one creditor Mr. Gunneriwala. It appears that in July, 1920, the present Nawab and his heir Murshada-Zaida Waris Ali Mirza took a sum of Rs. 5,00,000 as an advance rent of 21 years and gave a lease of certain immovable property and saw a third party. The persons who advanced the money in order to meet the liability transferred their lease rights to Mr. Gunneriwala for 5,45,000 from 1920 to 1927. The rents were regularly collected by the lessees and their representatives and, I am informed, that they made considerable improvements also in the property at their cost. In 1927 it appears that, in order to get out of this huge liability, the Nawab Bahadur filed a suit in the Calcutta High Court which was registered as Suit 1384 of 1927 for cancellation of the lease which was contested and finally Mr. Justice Page one of the well known High Court Judges of the Calcutta High Court passed a decree personally against the Nawab Bahadur for a sum of five lakhs which he had originally taken. Now, Sir, is it fair for one moment that this decree and suit which was contested should be reopened again by the Manager, however able he may be ?

In the first instance I wish to say what the Manager can do under section 9 of the proposed Bill. The argument which may be advanced in favour of the re-opening is that because this claim in the Appellate Court was compromised, therefore the Manager can re-open it. I say that it is a wrong position. I should say this is a wrong position. However, I do not wish to go into that question, but my submission is that when a decree has been obtained after contest that decree should certainly be respected and should not be allowed to be re-opened. Similarly, there are other claims which have resulted in decrees and which run

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to the tune of no less than 18 lakhs I hope the House consisting as it does of people of sound mind and judgment who had considerable experience in business matters and many of them have or are having money dealings in banking will realise that if this Bill is passed into Act, which are the securities for the creditors whose debts extend to about 19 lakhs. Under the old Act the creditors cannot touch the personal or the movable property of the Nawab Bahadur and according to the present Bill, if passed, even no charge on the profits of the estate could be enforced and the litigation which ended in the High Court recently about which a Receiver was appointed for the estate of the Nawab Bahadur and the said Receiver was entitled to collect rents and profits of the leased property and which was confirmed by Privy Council, the highest court available in the land, all the proceedings which were not done behind the back of the Nawab Bahadur could be reopened by the Manager. So this security of appointing a Receiver no longer exists in favour of the creditor. The sacred person of the Nawab Bahadur is already exempt. Lastly all the decrees and claims to the extent of 19 lakhs would last only so long as the present Nawab Bahadur is alive. It is a very important point to which I would invite the attention of the House that he is already 60 years of age and in the interests of the creditors—I pray that he may have a life of over a hundred years—but from a business point of view when the average age in this country is not over forty there is no saying when an order may come from the Almighty to which neither this House nor any other authority in the world has any access and the whole debt of 19 lakhs will be wiped off in a moment. The heir-apparent will get into the estate without any debt and perhaps in a few years will run the same game as his father did and die leaving a large debt and with the death of the present Nawab Bahadur many of his creditors will also die a civil death in losing their money.

No doubt the Bill provides that the Manager can go into such debts and since his appointment is for the preservation and betterment of the estate his sympathies will always naturally be against the creditor and in favour of his present master, if as the saying goes in Hindustani he is at all true to his salt. There will be no judicial finding about it. He is given powers to sit in judgment over decrees even though they may have been passed after contest or consent by the highest court of competent jurisdiction. The appeal is not to any judicial authority but to the Board of Revenue. The Board would be more interested in supporting and maintaining the orders of its subordinate than in meeting its creditors. A pious wish has been expressed by seven members out of 12 who sat on the Select Committee that such decrees “will not be opened lightly” but the word “lightly” is a very flexible term. It has no legal meaning and it is not embodied in any part of the Bill. Therefore it is open to the Manager either to respect or to throw to the winds this pious expression of such opinion. The Bill provides no guarantee in this respect and unless it is embodied in the Act itself that such decrees will be taken as *prima facie* evidence of the respective debts, the creditor cannot be satisfied.

Mr. Lalchand Navalrai : But the Honourable the Political Secretary has given an assurance on behalf of the Government that these decrees will not be lightly re-opened by the Manager.

Mr. A. Das : Yes, he has given the assurance. But what is the objection to embodying this assurance in the Bill itself ? An assurance given by one Member of the House may not be respected by a subsequent Government.

Mr. Lalchand Navalrai : But it is an assurance on behalf of the Government.

Mr. A. Das : But it has no legal effect. It is not law. If it is embodied in the Act itself, then it will be legally binding on the Manager and decrees will be taken as *prima facie* evidence except in those cases where they were obtained by fraud or undue influence. I appeal to the fair sense of the House that in accepting this Bill they ought to be equally fair to the creditors, particularly when their security is so thin and limited to the life time of the present son. I do not know of any Act in India where the solemn decrees of a court of law based either on consent or contest can ever be challenged by any subsequent Act without its being shown that these decrees were obtained by fraud or undue influence. The decree in suit No. 1384 of 1927 which was passed for five lakhs by Mr. Justice Page and in appeal a consent-decree was passed for Rs. 6,50,000. What I want to submit is this. Even this Bill and the Act of 1891 went much further than Chota Nagpur Encumbered States Act or other similar Acts of any other province in limiting the liability to the life of the present Nawab Bahadur, the debtor.

So far as Act XV of 1891 existed although it limited the liability to the lifetime of the borrower, but it was under that Act that the lender had the right at least to the appointment of a Receiver who took the profits of the estate of the debtor and apply it towards the liquidation of the debt but even this small right is being taken away by the present Bill. I therefore think, Sir, that without the amendment which I have moved to be incorporated in the Bill it would be a very iniquitous piece of legislation and entirely one-sided for the benefit of a reckless and extravagant borrower without paying any regard to the hard earned money which the various lenders have advanced. I commend this amendment for the acceptance of the House.

Mr. President (The Honourable Sir Shanmukham Chetty) : Amendment moved :

“ That in clause 4 of the Bill, to the paragraph beginning with the word “ secondly ” the following proviso be added :

‘ Provided however the clauses firstly and secondly hereinbefore mentioned shall not be applicable to cases where any court of competent jurisdiction has passed a decree declaring any charge or lien on any specified income or incomes ’.”

Mr. R. S. Sarma : Mr. President, I must at the outset congratulate my Honourable friend, Mr. A. Das, on the masterly exposition of the legal implications of the powers that are conferred on the Manager under this Bill. Though he is a very quiet and unassuming Member of this House, my friend, Mr. Das, never touches any subject of which he does not make a very thorough study and I think this House ought to be grateful to him for the unselfish service which he has so ungrudgingly rendered to the public interest so far as this Bill is concerned. I, for one, would not only have supported this motion but would have also moved an amendment of this character because I do not think there is one single Member of this House who does not feel that the Manager, according to this Bill, is getting

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extraordinary powers. Here is a Manager getting a couple of thousand rupees clothed with powers to re-open decrees of High Courts and of Privy Council and therefore, on the face of it, it appears we are giving him extraordinary powers even over the High Courts and the Privy Council. From that point of view, I am sure that there is a strong feeling that the Manager should not get so much powers and also there is a reasonable apprehension on behalf of the creditors that those decrees might be lightly re-opened and that they would suffer. But we had this afternoon a very thorough and unequivocal assurance from the Political Secretary on behalf of Government with all the responsibility due to his position that he is accepting the note of dissent or the terms of the note of dissent which myself and my colleagues have appended to the report of the Select Committee. On behalf of Government he has admitted that no Manager would lightly re-open any decrees under the powers which this Bill confers upon him but on the other hand these decrees will be accepted as *prima facie* proof of the respective debts. After this assurance which is made with absolute authority on behalf of the Government of India I think the purpose which my Honourable friend, Mr. Das, wants would have been served. Therefore, I should like to make an appeal to my Honourable friend to withdraw his amendment in view of the clear assurance given on the floor of this House. I think we owe it to ourselves that I should mention that in the Select Committee also the Government appreciated the apprehension of many creditors and also of those public men who really fear that there might be something in those apprehensions and the Government very gracefully came forward to make an assurance of this character. I think we are in honour bound to accept that assurance and withdraw the motion. Secondly, the Manager even if he should lightly re-open decrees, he is not the final authority in the matter. There is the Board of Revenue over him and there is the Bengal Government above them. If it is a Law Court, it may not take cognisance of assurances given in this Assembly by the Political Secretary. After all the Bengal Government is a subordinate Government to the Government of India and they cannot repudiate assurances given by the Political Secretary on behalf of Government of India on the floor of this House. Because of this, I will make an earnest appeal to my Honourable friend to withdraw his amendment and to thank the Political Secretary for his graceful assurance that he has given.

Mr. A. Das : Sir, may I ask one question ? Does this assurance confine itself only to those decrees which have been passed after contest or does it also apply to those decrees which have been obtained on consent ?

Mr. B. J. Glancy : It applies to all decrees.

Mr. A. Das : What is the legal difficulty in embodying this in the Act itself ?

The Honourable Sir Bepin Behary Ghose : The legal difficulty would be this that this Bill is not sought to be enacted with regard to a particular man but it is going to be a permanent legislation and will apply to all his descendants.

Mr. A. Das : Sir, I beg leave of the House to withdraw this motion. The motion was, by leave of the Assembly, withdrawn.

Clauses 4 and 5 were added to the Bill.

Lala Hari Raj Swarup (United Provinces : Landholders) : Sir, I beg to move :

“ That in sub-clause (1) of clause 7 of the Bill, in the paragraph beginning with the word ‘ fourthly ’ the words ‘ and improvements ’ be omitted.”

My purpose in moving this amendment is very simple. In this Act and the former Act the liability of the estate is only confined to the lifetime of the present Nawab Bahadur and by including improvements we are giving very wide powers to the Manager and if he chooses he can put down any amount on improvements and so the creditors can be deprived of their rights to get a rateable distribution in the profits of the estate. In view of this I will request Government to delete these words.

Mr. President (The Honourable Sir Shanmukham Chetty) : Amendment moved :

“ That in sub-clause (1) of clause 7 of the Bill, in the paragraph beginning with the word ‘ fourthly ’ the words ‘ and improvements ’ be omitted.”

Mr. B. J. Glancy : I should like to explain, Sir, that this point was discussed in the Select Committee, and these two words were retained because it was felt that sometimes minor improvements may save a great deal of money. They may avoid a multiplicity of repairs. For instance it may be a question of replacing a *kutchra* roof by a *pucca* roof.

Lala Hari Raj Swarup : Then you may say “ minor improvements ”.

Mr. B. J. Glancy : I am afraid there is a certain amount of difficulty in discriminating between major improvements and minor improvements. But here again I think things may very safely be left in the hands of the Local Government who are empowered under the Bill to make rules for the guidance of the Manager.

Mr. Lalchand Navalrai : Sir, as one coming from Sind, where an Act like this is in force, I think I am in a position to say that this amendment should be accepted. We have in Sind an Act, which is called the Sind Encumbered Estates Act, which is on similar lines, perhaps substantially the same with rare variations. There also the Act was enacted for the protection of the zamindars and landholders who have property for which they pay an assessment of more than Rs. 300. I submit that if this word “ improvements ” remains in the Bill under discussion, the creditors will be very much affected and it is that point which the Members on this side have been urging. If this word is there, any amount of money may be spent on improvements and that will certainly minimise the funds so that the creditors will suffer. I may say that the word “ improvements ” does not appear in many of the other Acts. In section 11 of the Sind Encumbered Estates Act, it is said :

“ From the funds received or recovered under section 10 the Manager shall pay, first, the cost of management including the cost of necessary repairs, etc.”

I say that there is every sense in the amendment that has been put forward.

Mr. G. Morgan : Sir, may I ask a question ? Is this the sole power of the Manager under this Act that the Honourable Member has quoted ?

Mr. Lalchand Navalrai : No, there are other powers also.

Mr. G. Morgan : Is it the Manager alone who has the power of repairs or has it to be approved by the Local Government or the Board of Revenue ?

Mr. Lalchand Navalrai : There also schemes have to be sent to the Commissioner for sanction. Sir, I think Government have been very sincere in giving us the assurance about the decrees not being lightly treated by the Manager of the estate although I would have been more glad if they had agreed not to re-open the decrees at all. In this Act, the word used is "claims" to be re-opened. I maintain that claim does not mean a claim which has been declared and determined by a Court of law to be paid.

The Honourable Sir Bepin Behary Ghose : Are there no such words as "decretal claim" ?

Mr. Lalchand Navalrai : The point is that it would have been more graceful for Government to have agreed to not re-opening decrees at all. But still we have accepted the assurance that the decrees will not be lightly treated and we have to thank the Political Secretary for it. But I submit that Government should not insist on retaining this word "improvements" and they should accept this amendment.

[At this stage, Mr. President (the Honourable Sir Shanaukham Chetty) vacated the Chair which was then occupied by Mr. Deputy President (Mr. Abdul Matin Chaudhury).]

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

"That in sub-clause (1) of clause 7 of the Bill, in the paragraph beginning with the word 'fourthly' the words 'and improvements' be omitted."

The motion was negatived.

Clause 7 was added to the Bill.

Clause 8 was added to the Bill.

Mr. A. Das : Sir, after the assurance given by the Honourable the Political Secretary in this House, I do not move my amendment.

Clause 9 was added to the Bill.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

"That clause 10 stand part of the Bill"

Mr. Muhammad Muazzam Sahib Bahadur : Sir, I move my amendment which is not even a drafting amendment, but perhaps a printer's devil : it runs as follows :

"That in the proviso to clause 10 of the Bill, for the words 'the further period' the words 'a further period' be substituted."

I may point out that in that clause "the further period" would be all right if there was a further period referred to previously ; but there is no further period referred to previously. I really think it is a printer's mistake and I hope the Political Secretary will have no objection to accept it.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : Amendment moved :

“ That in the proviso to clause 10 of the Bill, for the words ‘ the further period ’ the words ‘ a further period ’ be substituted.”

Sir Lancelot Graham (Secretary, Legislative Department) : Sir, I am thoroughly confused, I must confess, by my friend, Mr. Muazzam’s amendment, because when I read the proviso to clause 10, I find “ the Manager may admit his claim within the further period of six months from the expiration of the period of six months specified in section 8 ”. I understand that his trouble is that “ the ” and “ a ” do not refer to the same period : I think he is right : actually there is a further period specified in section 8 : and this clause refers to a further period after that. Is that his point ?

Mr. Muhammad Muazzam Sahib Bahadur : Yes.

Sir Lancelot Graham : So that is correct. It is a very easy slip on the part of the draftsman : that is what has happened : it is not the further period specified in section 8 referred to : it is a further period of six months from that. So we would accept it.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

“ That in the proviso to clause 10 of the Bill, for the words ‘ the further period ’ the words ‘ a further period ’ be substituted.”

The motion was adopted.

Clause 10, as amended, was added to the Bill.

Mr. Muhammad Anwar-ul-Azim : Mr. Deputy President, I do not really know that it is at all necessary to....

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The Honourable Member must move his amendment first.

Mr. Muhammad Anwar-ul-Azim : Sir, I move :

“ That to clause 11 of the Bill, the following proviso be added :

‘ Provided always that the Manager consulted the Collector of Murshidabad in this matter and his concurrence obtained thereon ’.”

From the trend of speeches on both sides of the House, I gather there are quite a large number of friends on both sides who are solicitous for the interests of the creditors, and I am glad to find that some sort of response has come from my friend, the Political Secretary, that these things will be considered by the Manager when they come up before him. But when I move this amendment, I can assure him that the report of the Select Committee is not my gospel, and I do not know that the Select Committee has said the last word for the benefit of the Nawab Bahadur of Murshidabad. If the Government are so solicitous as to do a good turn to the nobleman from whose ancestors they got this vast empire, I am sure, they would not have accepted this thing so blindly. Great capital was made of the Manager’s responsibility and that we should not grudge him a few thousands of rupees when his duty would be to handle 19 lakhs of rupees. I have had occasions to work with receivers in my part of the country and I know I had to give securities to the tune of Rs. 50,000 ; and here perhaps this gentleman—who I gather from my friend, Mr. Sarma, will be a retired mem-

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ber of the Indian Civil Service—will see that no wrong is done to anybody and that the policy underlying the Bill is faithfully carried out. But that is not my grouse. My grouse is this, that if Government want to be consistent in all matters, they should have asked this gentleman, the Manager, to find a decent security for himself and to give a personal security of a lakh of rupees, at least when he is to deal with this amount of money and the whole property. I, therefore, say that it will not be unfair of Government to consider this small amendment, that, in the determination of these debts; he should consult the Collector of Murshidabad who will be the live agent of the Government of Bengal at that centre.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : Amendment moved :

“ That to clause 11 of the Bill, the following proviso be added :

‘ Provided always that the Manager consulted the Collector of Murshidabad in this matter and his concurrence obtained thereon ’.”

Mr. B. J. Glancy : Sir, I should like to explain that, under the present Bill, an appeal lies from the Manager to the Board of Revenue. It appears to me that that is a much more appropriate arrangement than providing an appeal to the Collector of Murshidabad whose time is very fully occupied, and I am afraid that he would have no leisure whatsoever to deal with such matters. Nobody there has any useful knowledge on the subject, as most of these liabilities are not to people of the Murshidabad district, but to people in Calcutta.

Mr. Muhammad Muazzam Sahib Bahadur : Sir, I entirely agree with the observations made by the Honourable the Political Secretary. I believe that if the intention of the Mover of this amendment is carried into effect, every time the Manager comes to a decision on the amount that is due or on the rate of interest which is to be charged, he will have to consult the Collector whose hands, as I understand from the Honourable the Political Secretary, are already full with work. Sir, I oppose the amendment on the ground that it will create a lot of difficulty and will hamper the work of the Collector of Murshidabad on the one hand and it will not in any way be beneficial to the estate either.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

“ That to clause 11 of the Bill, the following proviso be added :

‘ Provided always that the Manager consulted the Collector of Murshidabad in this matter and his concurrence obtained thereon ’.”

The motion was negatived.

Mr. Nabakumar Sing Dudhuria (Calcutta Suburbs : Non-Muhamadan Urban) : Sir, in view of the assurance given by the Political Secretary, I do not want to move my amendment*.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : There is a similar amendment in the name of Mr. Muazzam Sahib Bahadur.

“ That to clause 11 of the Bill, the following proviso be added :

‘ Provided that the Manager shall accept the decrees obtained by the creditors of the Nawab Bahadur in the highest judicial courts as *prima facie* proof of their respective debts ’.”

Mr. Muhammad Muazzam Sahib Bahadur : Nor do I want to move my amendment*. I simply wanted to improve the amendment of my friend, Mr. Dudhoria, by substituting the word "evidence" instead of "proof". I do not want to move my amendment*.

Clauses 11 and 12 were added to the Bill.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

"That clause 13 stand part of the Bill".

The motion was adopted.

Clause 13 was added to the Bill.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

"That clause 14 stand part of the Bill".

The motion was adopted.

Clauses 14, 15, 16 and 17 were added to the Bill.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

"That clause 18 stand part of the Bill".

The motion was adopted.

Clause 18 was added to the Bill.

Clause 19 was added to the Bill.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

"That clause 20 stand part of the Bill".

Mr. Muhammad Anwar-ul-Azim : Sir, The amendment I wish to move is this :

"That to clause 20 of the Bill, the following further proviso be added :

'Provided always that the leases before they were finally settled had the approval of the District Judge of Murshidabad'."

Mr. Deputy President, it is common knowledge that anybody who handles leases and things of that kind. may even in cases where big properties are administered by *Mutawallis*, they cannot ride rough shod over a District Judge. Even a *Mutawalli*, a privileged man of his position, has got to come to the District Judge and obtain sanction in cases of leases of wakf properties. Normally the time granted is five years. Of course, without prejudice to the unlimited power which is being given to the Manager under this Bill, I should like to suggest this much, that provision should be made to see that the District Judge of Murshidabad should see whether the leases granted by the Manager are in such form as to safeguard the interests of all concerned, because it is far from me to suggest anything with regard to the powers you propose to give to the Manager, but the outside public will laugh at the

"That to clause 11 of the Bill, the following proviso be added :

'Provided that the Manager shall accept the decrees obtained by the creditors of the Nawab Bahadur in the highest judicial courts as *prima facie* evidence of their respective debts'."

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wide powers which this Bill is granting to the Manager, because when lakhs and lakhs of rupees are involved in big estates, and they are administered in a fiduciary manner, the matter has to come up before the District Judge, and I do not know why the Manager should be exempted from bringing his draft leases to the District Judge in this case also. Permanent leases, when granted, should not be granted so light heartedly.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : Amendment moved :

“ That to clause 20 of the Bill, the following further proviso be added :

‘ Provided always that the leases before they were finally settled had the approval of the District Judge of Muhsidabad ’.”

Mr. G. Morgan : Sir, I only want to draw the attention of my friend, the Mover, when he says that this measure gives unlimited power to the Manager, that with the exception of those powers granted under 28 (c), the approval of the Local Government has to be obtained before leases are sanctioned and presumably registered. Sir, I oppose this amendment.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran : Non-Muhammadian) : Sir, I also rise to oppose the amendment just moved by my friend, Mr. Anwar-ul-Azim. Clause 20 of the Bill seeks to clothe the Manager with the power of dealing with immovable properties, and it also gives him power to execute leases of immovable property. From what I can gather, I believe the power of the Manager in this matter is always subject to the approval of the Board of Revenue and ultimately to the Local Government. So I do not think it is either necessary or desirable to interpose the authority of the District Judge in all matters. In the first place, the District Judge is over-worked as the District Magistrate is, and, for the reason adduced in throwing out the last amendment, I think this amendment also cannot be accepted by this House, because the Bill gives power to the Board of Revenue to intervene in these matters when leases are granted, and in case an appeal has to go up, the final authority is the Local Government, and so I don't think it is necessary to add this proviso to clause 20 of the Bill. Sir, I oppose the amendment.

Mr. Muhammad Muazzam Sahib Bahadur : Sir, as a matter of fact, we have in clause 20 itself what I may call a dual check, a check which is referred to in this clause and embodied in clause 28 (c) as Mr. Morgan has just pointed out, and we again have it under clause 20 that if the settlement of the estate of the Nawab Bahadur by the Manager is such that it is in perfect accord with the provisions of clause 28 of the Bill, no difficulty arises, but if the settlement goes beyond those provisions, as I take it, he has to obtain the previous sanction of the Local Government—in this case it is the Government of Bengal. For these reasons, Sir, I oppose the amendment.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

“ That to clause 20 of the Bill, the following further proviso be added :

‘ Provided always that the leases before they were finally settled had the approval of the District Judge of Murshidabad ’.”

The motion was negatived.

Clauses 20 and 21 were added to the Bill.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

“ That clause 22 stand part of the Bill ”.

Mr. Muhammad Anwar-ul-Azim : I should like to place this also on record, I mean my amendment.....

Mr. Gaya Prasad Singh : Why don't you read the amendment first ?

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The Honourable Member will please read out his amendment
4 P.M. first.

Mr. Muhammad Anwar-ul-Azim : I move :

“ That after sub-clause (3) of clause 22 of the Bill, the following new sub-clause be inserted :

‘ (4) And that the Collector of Murshidabad or the Commissioner, Presidency Division, shall audit the accounts every year and send a report to the Board of Revenue ’ ”

Mr. Deputy President, I do not know why these amendments are so very touchy or act as a bugbear to my friends on the right. It seems, in their inordinate hurry to pass this Bill, they lose the common courtesy of not disturbing a Member who does not ordinarily take part in debates in season, and out of season. Nowhere in the Bill, from start to finish, do I see any provision as to how these accounts are to be kept as is kept by the Court of Wards. It appears as if the Government of India want to give a blank cheque to the officer. He will not be accountable to anybody and his actions and conduct will not be subject to any check. As regards the Court of Wards, the Manager will have to carefully keep his accounts in the prescribed form, because over him he has the District Magistrate, then the Commissioner, and then the Board of Revenue. In this case, there are no checks, and I should like very much to know from the Political Secretary what check he has provided in the body of the Bill over the vagaries of any Manager of this estate.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : Amendment moved :

“ That after sub-clause (3) of clause 22 of the Bill, the following new sub-clause be inserted :

‘ (4) And that the Collector of Murshidabad or the Commissioner, Presidency Division, shall audit the accounts every year and send a report to the Board of Revenue ’ ”

Mr. B. J. Glancy : Sir, I should like to draw the attention of the Honourable Member to clause 28 (2) (b) of the Bill which deals with the matter of audit. The Board of Revenue will, no doubt, make rules about the manner in which the audit shall be conducted, and when they come to do so, I should imagine it is more likely that they would entrust that function to the Accountant General or the Examiner of Local Fund Accounts than to a busy administrative officer such as the Collector of Murshidabad or the Commissioner of the Presidency Division.

Mr. G. Morgan : I have been looking through this Bill to see under what clause or rule this audit will take place. I did not catch the Honourable Member's reference.

Mr. B. J. Glancy : Clause 28 (2) (b).

Mr. G. Morgan : I am sorry. That is all right. I am satisfied and oppose the amendment.

Mr. Gaya Prasad Singh : Sir, I do not understand the head or tail of this amendment. If my Honourable friend had been a little more careful in studying the Bill, he would have found that the check which he likes to insert in the Bill has already been provided, and we in the Select Committee looked into the matter carefully. Clause 22 provides :

“All orders or proceedings of the Manager in the exercise of his functions under this Act shall be subject to the supervision and control of the Board of Revenue.”

As has already been pointed out by my Honourable friend, the Political Secretary, under clause 28 (2) (b) :

“The Board of Revenue may, with the previous sanction of the Local Government, make rules for the purpose of carrying into effect all or any of the provisions of this Act.

(b) the procedure to be followed by the Manager in the discharge of his functions under this Act, the accounts which shall be kept by him, and the manner in which such accounts shall be audited.”

I understand that the proper authority to audit the accounts will probably be the Auditor General or any authority subordinate to him. It is really meaningless to ask the Collector or the Commissioner of the Division to audit the accounts of a big estate like the estate of Murshidabad. This amendment is absolutely unnecessary, and I strongly oppose it.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : The question is :

“That after sub-clause (3) of clause 22 of the Bill, the following new sub-clause be inserted :

‘(4) And that the Collector of Murshidabad or the Commissioner, Presidency Division, shall audit the accounts every year and send a report to the Board of Revenue.’”

The motion was negatived.

Clause 22 was added to the Bill.

Clauses 23, 24, 25, 26, 27 and 28 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Mr. B. J. Glancy : Sir, I move that the Bill, as amended, be passed.

Mr. Deputy President (Mr. Abdul Matin Chaudhury) : Motion moved :

“That the Bill, as amended, be passed.”

[At this stage, Mr. President (The Honourable Sir Shanmukham Chetty) resumed the Chair.]

Mr. B. R. Puri (West Punjab : Non-Muhammadan) : Sir, I come from a constituency which is within sixty miles of Peshawar, and, therefore, it seems rather a far cry that a Member interested in the affairs of the

extreme north should feel interested in the domestic affairs of a Nawab who is flourishing in the interior of Bengal.

I would not have undertaken this unnecessary responsibility of addressing the House on this question had it not been for a conscientious objection which I have against this class of legislation. A piece of legislation of this kind does no credit to the Government who are promoting it or to the Legislature who are about to pass it. Sir, I take it that the basis of all sound legislation is a just and equitable recognition of the rights of the people whom that legislation affects. The present Bill appears to me to be a flagrant example of the rights established through Courts of justice being flouted and made subject to the whims and arbitrary decisions of a mere "Manager", no matter how lofty his position may be. I know, Sir, that the measure will in all probability go through, but that does not worry me in the least. I have to get my protest recorded against a measure of this kind, passing or not passing the measure depends upon the temper of the House. What really pains me is this, that a distinguished lawyer who has himself adorned the Bench of the premier High Court of the country and who moreover comes from a stock which has produced the greatest modern Indian jurist, the late Sir Rash Bihari Ghose, should be a party to a legislation of this kind, a legislation so fundamentally unjust and iniquitous. What is the principle of this Bill? The principle of this Bill, put in ordinary plain English, appears to me to be nothing less than this. Here is a man who appears before you with a decree of a judicial tribunal and you turn round to him and say that in spite of the fact that you have got the best authority in your favour, we decline to do anything for you, because we feel bound to protect a person who is a waster and has led an extravagant life, if nothing worse. That, I understand, is the plain and honest truth. It appears to me that these judicial decrees are going to be ignored in order that the Nawab should continue to come out in the public in his "carriage and four", or that he may not be forced to cut down the number of his wives, and that he may still have 30 or 40 dishes on his table, while an ordinary mortal would be content with say $\frac{1}{10}$ th of it. In order to maintain such artificial dignity, you are going to the length of flouting and throwing to the winds the judicial decrees of the highest tribunals in this country. If that is really the basis of this Bill, if that is the underlying principle of this Bill, the less we have to do with such a piece of legislation the better for the good name of this House. Look at it from the creditor's point of view. I am free to admit that when dealing with spendthrifts and people of extravagant habits, people do generally get their advances exaggerated in their deeds which they obtain from their debtors. That is common knowledge and one cannot shut one's eyes to that. This is done because there is always the possibility of some of these transactions being held to be unconscionable bargains in a Court of law or else the Court considers that the terms are exorbitant, or the rate is too high and thus sometimes the whole claim is thrown out or materially reduced. Such being the dangers and the risks to which the creditors are exposed, one cannot blame them for exaggerated amounts entered in their securities which they obtain from their debtors, but there must arise some stage or other when all such questions should be deemed to have come to an end. That occasion and that stage comes when the matter is brought up on the judicial anvil, and when both the parties, after having had a fair trial and after contesting the suit, the Court pronounces its

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decree. I think that all doubt should, thereafter, come to an end, and once a decree is passed, nobody has the right to say that the particular claim covered by the decree was in any way or to any extent tainted. That decree must be accepted as the final pronouncement of a Court of law and it will be an evil day if such decrees of judicial tribunals were ignored, because thereby people will come to lose their confidence in the impartiality of the Courts of justice and they will come to believe in the impotency of the Courts and in the ineffective character of judicial decrees. That will be an evil day for us, because there will be no peace and no order left in the land. Sir, the fabric of this Empire depends upon our perfect faith in the judicial pronouncements and I say that a decree passed by any Court of justice, even the lowest, is entitled to the same respect which you show for the decrees passed by the highest Courts. Need I remind my Honourable and esteemed friend, the custodian of the Legal portfolio of the Government of India, of the sacredness and sanctity of the decrees which he himself must have passed as a Judge of the High Court? They are passed by the grace of God, and, in the name of our Sovereign, under my orders and seal of this Court. If ultimately the decrees are to be flouted, kicked at and ignored, why have this farce of judicial trials, why have all this comic show. You put up palatial structures. You build up your High Courts. You put there High Court Judges in scarlet robes with long wigs. You give them very high salaries and when, ultimately, after parties have had their trial and a decree is passed, instead of respecting that decree which a person has obtained after spending a good deal of money and labour and after having undergone a great deal of expense and worry, does it lie in your mouth to say that for the sake of benefiting an unworthy man, you will trample under your feet such judicial pronouncements as the judicial decrees? This is from the creditor's point of view.

Now, Sir, with regard to the person for whose benefit all this legislation is being introduced. Let us try and get a clear idea of the person for whom this extraordinary solicitude is being shown by the Government. Sir, I take it that the Nawab is not a charitable institution and, therefore, need not be kept and maintained at public expense. If anything, he is a relic of what the ancient Nawabs and Rajas used to be. He is probably a sample of those Nawabs and Rajas who have contributed in no small measure to our present state of slavery. Why perpetuate such careers in order to put them up to the ridicule and contempt of the world outside? Has not the time arrived when we should put an end to it? Are not the past misdeeds of this gentleman your sole excuse for bringing forward this piece of legislation? Does it lie in your mouth to help and encourage a man who cannot manage his own affairs and who is guilty of having carried on a most extravagant life, so that he may continue and perpetuate that sort of a career? Sir, if, from higher Imperial considerations, such an exhibit must be preserved, then may I submit that he may be removed to the British Museum and let the British Exchequer pay for him. We have no necessity for him here. So far as we are concerned, we are sick of such-like Nawabs and such-like Rajas. These are the general considerations on the basis of which I conscientiously feel that it would not do us credit to pass such a measure nor will it do the least credit to the Government who are sponsoring this Bill.

Coming now to the measure itself, let us examine it on its own merits. We find it stated in the Statement of Objects and Reasons :

“ That the machinery for the exercise of such management by the Secretary of State was not, however, provided for in the Indenture and it is to supply this that the present Bill is designed.”

Now, I do not wish to read the whole Indenture as it is a very long-winded document, but the words which bear on the point with which I am dealing are these : in the event of the Nawab behaving or misbehaving in a particular manner, this will be the consequence and I will read that governing sentence. It reads :

“ The net rents, issues, profits so to be received and taken by the Secretary of State as aforesaid shall be applied *for the benefit of the said Nawab* Bahadur of Murshidabad.”

Now, Sir, the power secured under this Indenture in favour of the Secretary of State is that on resuming and taking over the possession of the properties of the Nawab, he will proceed to realise all the rents and profits, and what will he do with it ? It shall be *applied for the benefit of the said Nawab* of Murshidabad. Now, Sir, what a convenient interpretation the Government are putting on these words. This phrase “ for the benefit of the Nawab of Murshidabad ” is now being interpreted by means of the present Bill to give the Secretary of State powers unheard of, namely, that he can altogether ignore and refuse to entertain or even consider any claim, no matter even if it is merged into a decree. Sir, I maintain that there is no justification for putting such flagrantly wide interpretation upon the word “ benefit ”. Is it not to the benefit of the Nawab of Murshidabad that all his just claims were paid off ? Is not there a legal as well as a moral obligation *even upon a Nawab* to pay off his liabilities ? Are Nawabs and Rajas beyond the pale and outside the scope of the moral obligations to which we ordinary mortals are bound ? Can it be urged, on behalf of this Nawab, that it is to his benefit if all the people with their decrees in their hands passed by the High Court were kicked out and told : Go back, this Nawab must be maintained at public expense ; your decrees are of no use. Sir, there is no justification either, legal or moral, for putting such a convenient interpretation upon the word “ benefit ”. All that the Secretary of State could ask was that, since he personally cannot manage, he should be given powers to have this estate managed through a Manager, a Deputy or an Agent. That would have been a perfectly legitimate claim. But, while asking for that, they have surreptitiously introduced most diabolical powers, most extensive powers, which this Bill is supposed to confer upon the agent of the Secretary of State when the Secretary of State himself does not possess any one of those. Where is it recorded in this Indenture that the Secretary of State shall have the power to ignore or to refuse to entertain the claims judicially determined by the highest Court in the land ? I would like to know—and I will wait with patience—on what principles of interpretation a case can be made out that this word “ benefit ” covers and entitles Government to do all sorts of acts of this iniquitous character ? I submit that neither on the broad principles is this Bill a sound measure, a just measure or an equitable measure, nor are on merits the powers, which are now being conferred upon the Manager, the powers which are either consistent with the

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words and the language of the Indenture upon which the whole superstructure is being built. On these grounds, I submit that this measure is bad from every point of view and should be thrown out.

Pandit Satyendra Nath Sen (Presidency Division : Non-Muhammadan Rural) : Sir, I beg to support the view so eloquently expressed by my Honourable friend, Mr. Puri. I, too, am opposed to such legislations on principle. In spite of the redeeming features of this Bill, in consideration of the peculiar and extraordinary position of the person concerned, this Bill is to be regarded as an extraordinary one. Indirectly this Bill puts a premium on profligacy and extravagance. It is true that the Government have given some assurance in regard to the finality of the judgments passed by the highest Courts. But I understand these assurances have no legal value, and without these safeguards, I am constrained to say, this Bill is opposed to all sense of justice and jurisprudence. It grossly violates the principle of *res judicata*. When a judgment has been finally passed, it cannot be reopened by anybody. Sir, from the point of view of creditors, the consequence of such a legislation will be disastrous. Those people who, instead of taking up more fighting occupations, take up the rather peaceful occupation of money-lending, are, after all, to be regarded as important limbs of the social body, and if the money-lenders lose confidence in the people, as well as in the State, the consequence will be detrimental not only to the poor, but also to the wealthy, all of whom are having hard days at present. With these observations, I beg to record my opposition knowing full well that it will be of no avail.

Mr. S. G. Jog : Sir, I most heartily congratulate my Honourable friend, Mr. Puri, on the righteous indignation which he has shown over the measure before the House. I find he has not been taking any part in this measure, but I thought there was some deliberation behind it. It was a lull before a storm. After all, when the measure had reached the third reading stage, somehow or other a man from the Punjab would not resist the temptation of putting in his emphatic protest at this unrighteous legislation. My Honourable friend had discussed the question from all points of view. He has discussed it from the moral point of view, he has discussed it from the legal point of view and I, for one, have no mind to detain the House any longer. But, really speaking I would not have taken further part in this discussion except for some defects or flaws in this Bill to which I should like to draw the attention of the sponsors of the Bill even at this stage.

I should like to draw the attention of the House to clause 9 which refers to the presentation of claims and a further provision which relates as to when the claims are time barred. The law, as it appears to me, has ignored all the canons of other laws. I will take particularly one point, I mean the law of limitation. There is a particular provision in the law of limitation to the effect that any claim, so far as persons under disability are concerned, such as a minor, no claim is barred against him. I should like to ask the Honourable the Mover of this Bill whether there is any provision incorporated in this Bill so as to save the rights of minors and other persons under disability. There are a number of creditors who have got their claims against the Nawab and by this measure they are called upon,

after due notification, to present their claims within six months and a further time is given for some reason for another six months. Supposing there are minors amongst the decree-holders or any persons under disability, is it to be understood that, after 12 months, if the minor does not come forward or any other person under disability does not come forward, his claim is barred. Has he no remedy and is he to get nothing out of the estate? May I respectfully ask whether there is any provision in the measure before the House? Is it not necessary that there should be some provision in the interests of the minors and other persons under disability or are you going to ignore all the laws? You want to defraud the creditors by this arrangement and you also want to defraud the minors who may be innocent and who may not be able to present their claims. I hope that before we pass this Bill, I should like to know whether there is any remedy provided in this measure to meet this contingency.

Sir, nobody on this side of the House is happy over this Bill. We must admit that this measure has no moral back ground, but I should like to say that there is no evil without any good and there is no good without an evil. Once in a way this measure will serve as an eye-opener to the creditor class and once in a way it will also serve as an eye-opener to those persons such as Nawabs and Rajas who lead a profligate life. Let the money-lender know that, before having any dealing with these people, he would run great risk of losing his money entirely. If this measure has got the effect of killing the credit of the Nawabs, it will also make the money-lender more wise and teach him a good lesson. I think, to that extent, this measure will serve as a useful one.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions : Muhammadan Rural) : Sir, I intended to be a silent spectator in the discussion of this Bill and not to say a word, but the speech of my Honourable friend, Mr. Puri, especially when he appealed in the name of God, urged me to say a few words. Had he simply brought forward the legal point of view, probably I would have remained on my seat, but when he has appealed in the name of God, I thought I should say something about it.

In the first place, about the mismanagement of the estate of Murshidabad, I entirely agree with him. Had he and his ancestors not mismanaged their estate, then the history of Bengal and, I may even say, the history of India would have been different. Now, as regards the second part of his speech about the Princes, Nawabs and Rajas, I think probably he put down his note, for the Princes (Protection) Bill, and he delivered it at a wrong time. But I should like to draw his attention and the attention of the Assembly to one point which he as a lawyer ought to have considered. It happens in a large number of cases,—and they have come to my knowledge, and I know it has happened in the case of Murshidabad also as I stayed with the Nawab Bahadur some time ago when I was a member of the Calcutta University Commission,—that several persons secured pro-notes for very large amounts which really they never paid. That is a point which probably a lawyer cannot consider, but which we, who are not lawyers, cannot entirely overlook.

Mr. B. R. Puri : May I inform my Honourable friend that I was speaking on this very point for nearly five minutes?

Dr. Ziauddin Ahmad : Very often the pro-notes have been written, not on receiving the full amount, and sometimes on receiving no money or a very small portion. Such loans are not honest transactions, but they are speculations. I have no sympathy for speculators in currency or in loan advancing and this point we cannot overlook. And, in this case, I must congratulate—though I seldom congratulate—the Foreign Secretary for bringing a measure of this kind which was urgently needed. And I say that when it is the policy of the Government to protect landlords and other ancient families, I see no reason why that protection should not be extended in this case.

Mr. Muhammad Muazzam Sahib Bahadur : Sir, my Honourable friend, Mr. Puri, in his observations on the Bill referred first of all to the point of view of the creditor. I wonder if my Honourable friend knows that debts due from the Nawab Bahadur are only good for the life of the Nawab. The moment he dies, the creditors cannot recover a pie from his estate. Taking that as the basis of these debts, it is a matter which one can easily understand whether a creditor, who is prepared to advance money to a person in the position of the Nawab Bahadur, will really,—taking the risk that the debt is only good for the life of the Nawab Bahadur in any case,—pay the full amount of any debt. Although I would not ask the Manager to treat this general inference as the basis for his decisions, still one may fairly ask from the nature of the transactions which have been carried on by the Nawab Bahadur, on the basis, as I said, of the duration of the debt for the life of the Nawab Bahadur, whether the element of speculation and dishonesty does not enter into each one of these transactions.

Sir, my Honourable friend, Mr. Puri, when he began his speech, said that measures like these tended to shake the confidence of the public in decrees passed by the highest tribunals of the land. Does my Honourable friend, Mr. Puri, really think that we are legislating in respect of a matter which is of universal application ? It is confined to a single individual, a person who in days gone by,—or at least his ancestors,—had secured to the Government of the day the revenues of Bengal, Bihar and Orissa ; and, in consideration of the services rendered by the Nawab, the Government of the country, in gratitude for those services, if I may say so, allowed him a fairly decent pension to begin with, which from time to time has had to be curtailed and is now at the figure of Rs. 20,000 or so a month. I understand that when the pension was first fixed, it was something like a lakh and a half per month. Is it the idea of Mr. Puri that, in these days of so-called democracy, all high stations and all these princely distinctions should be done away with altogether and that, instead of having awarded to the Nawab Bahadur a monthly pension suited to his rank, Government should have treated him as any other person and should have denied to him what they have given ? I understood him to say at least that much. And am I to understand that even in these days of so-called democracy, we have democracy working to its full extent ? Sir, if the Government had gone out of the way to frame a legislation which might save the honour and dignity of the Nawab Bahadur by implementing the pledges given by the Secretary of State to him, I ask, are the Government doing anything wrong ? Is it not a duty which the Government owe to the Nawab Bahadur ? It is easy to argue on general lines and I personally would agree entirely with

Mr. Puri if this had been a measure of universal application. But it happens to be a restrictive measure and his remarks cannot apply to an extraordinary measure like this. Then, Sir, so far as insolvency proceedings are concerned, I may call my Honourable friend's attention to the fact that the bankruptcy Court has got certain powers which ordinary Courts do not have. The bankruptcy Court can go behind High Court decrees ; it can revise decrees passed by consent ; it can revise decrees passed on compromise. May I read a small paragraph from Halsbury's Laws of England, Volume II, page 57, dealing with non-compliance with bankruptcy notices ? This is what it says :

" Where such an act of bankruptcy is relied on, the judgment is conclusive in the bankruptcy Court, unless the consideration for it can be questioned ; the Court may, however, for the purpose of determining whether a receiving order should or should not be made, go behind the judgment and inquire into the consideration for it, and on finding that there was no valid or legal consideration for it, may refuse to make a receiving order. This may be done at the request of the debtor, even where the judgment was by consent, estoppel not applying as against the bankruptcy court. Even where the Court of Appeal has refused to set aside the judgment, the bankruptcy court may still go behind it and inquire into the liability on which it is founded. So if the judgment has been obtained by the compromise of an action, the bankruptcy Court may none the less inquire into the consideration and reject the debt, if it finds that the compromise, though not fraudulent, was unfair and unreasonable. "

With these remarks, I submit that the Bill before the House is very reasonable and should be passed.

The Honourable Sir Bepin Behary Ghose : Sir, when I heard the Honourable Mr. Puri, I thought that I was present at a meeting of radicals. I may confess that I have a little bit of radicalism in me, but I must also point out that the policy of the British Government here in India and also, I may say, in their own country, is to maintain the dignity of ancient families.....

Mr. B. R. Puri : Not at the expense of others !

The Honourable Sir Bepin Behary Ghose : Now, what is the good of these many—I think there are about 20—Acts, Court of Wards Acts, in this country, under which the Court of Wards takes possession of the property of minors, widows and disqualified proprietors who are wasters and cannot manage their own property ? And then what is the good of all these Encumbered Estates Acts, and Acts which protect the Oudh Talukdars ? I do not think there is anything like these in the Punjab for, if there had been, then probably my friend, the Honourable Mr. Puri, when appearing on behalf of minors or widows or disqualified proprietors under the Court of Wards, would not have been so eloquent on behalf of the creditors. In my time I have heard many eloquent speeches, and I must say that the speech of Mr. Puri is a very eloquent one—but rarely did I hear such an eloquent appeal on behalf of money-lenders. Mr. Puri has been insufficiently briefed. He is holding in this matter a brief for the creditors. Now, what sort of creditors are they, advancing money to a person whose tenure is only for his life ? Whether rightly or wrongly, under the Indenture and under the Acts, under which the Nawab Nazim of Bengal surrendered his exalted position and his exalted title and obtained the humbler title of Amir-ul-Omrah and Nawab Bahadur—of course there are hundreds of Nawab Bahadurs, but Amir-ul-Omrah is the Premier Noble of Bengal—protection has been given to him ; and it has been the policy of Government that the Premier Noble of Bengal should not go about the streets begging money from this man or that. Therefore, all the property that has been conferred upon him by the Government which

[Sir Bepin Behary Ghose.]

was purchased by sale of his own jewellery—and not at the public expense....

Mr. B. R. Puri : What about the descendants of the Mughal Emperors who are going begging on the streets and starving ?

The Honourable Sir Bepin Behary Ghose : Quite true : when I came first into this Assembly, I heard people shedding tears for the descendants of Tipu Sultan ; but Tipu Sultan was conquered : he did not cede anything by treaty, while the Nawab of Bengal ceded his dignities and territories by treaties. The English did not really conquer Bengal by the battle of Plassey. Mir Jaffar was set up by the great landowners of Bengal and then, after subsequent treaty after treaty, the Nawabs surrendered the sovereignty rights to the English Company ; and, on account of that, the British Government, out of a sense of gratitude, gave them Rs. 64 lakhs at first as an annuity : it was reduced afterwards to a lesser sum of about 16 lakhs ; and, with regard to the State jewellery, these were sold and properties were purchased with that money, and not with our taxes ; and then those properties were given to the Nawab Bahadur of Murshidabad for enjoyment for life only. Now, if a creditor knowing—and he must be supposed to have known this—advances money to a man who holds a life estate only, and knowing also the insecurity of life—what would you say of such a creditor ? If the Nawab Bahadur had died of an attack of cholera that night—would the creditor have had a single pice ? No. Then, what was he ? An honest creditor ? I should say he was a speculator or a gambler ; and if a lawyer of the eminence of the Honourable Mr. Puri stands up and says “ Oh, these are just creditors ”, I can only say that his heart is flowing with the milk of human kindness for those who do not deserve a single moment’s pity.

Mr. B. R. Puri : Does my Honourable friend recognise that he is really putting a slur upon the High Court Judges who decided some of those cases ?

The Honourable Sir Bepin Behary Ghose : I should be the last person to cast a slur on High Court Judges : of course practitioners at the bar may. They are privileged to call a High Court Judge a fool ; and I might have been called so in my time ; but I cannot now question either the integrity or correctness of whatever may have been decided by a High Court Judge : I would not do it even if I had felt it. However, what can a High Court Judge do ? The Nawab is not an infant : he is not a lunatic. If he executes a bond of, say, five lakhs after getting only one lakh, can he stand before the Court and say : “ No, I got one lakh, but signed for five lakhs ? ” Which Court would listen to him ? Which lawyer would advise him to write such a thing in his written statement ? Therefore, any High Court Judge would say : “ Yes here is the bond ; here is the promissory note...”

Mr. Amar Nath Dutt : Is not want of consideration often pleaded in law Courts ?

The Honourable Sir Bepin Behary Ghose : But you must remember this, that when there is an attorney and a barrister drawing up a written statement, these two lawyers, through whose hands the written statement passes, and any lawyer worth his salt would say : if a man, in the position of the Nawab Bahadur, desired to plead want of consideration, “ No ; do

not urge that plea, because it will at once be considered to be false". Therefore, the Nawab Bahadur, in order to maintain his respectability, cannot urge such a plea....

Mr. B. R. Puri : Is that the position, that the Nawab puts up a false plea merely to maintain his dignity ? We would like to know.

The Honourable Sir Bepin Behary Ghose : No, not the Nawab only : but I am speaking for a respectable lawyer, because no respectable lawyer would put his hand to such a written statement of a person who is neither a minor nor a widow nor a lunatic, but who would be considered a confounded liar. Mr. Puri himself is at the bar, and if I borrow money and give a note in favour of a Marwari and say : " Mr. Puri, I did not get that money ", would not Mr. Puri advise me and say : " No, my friend, do not say anything of the sort : I am not going to file a written statement that would at once be held to be false ". That is the position I maintain ; and I maintain the dignity of the profession of law, because I believe no respectable lawyer would encourage false pleas being set up in that way, and I should think any Judge....

Mr. Amar Nath Dutt : Even when the plea is true ?

The Honourable Sir Bepin Behary Ghose : Who would believe that plea as I have said ? Now, the man who advances money to a person who might die the next day—because in the midst of life we are in death—would you believe that he is an honest creditor ? He knows that his security is absolutely uncertain. Those who advance money to Hindu widows without making any inquiry about legal necessity, would they be considered as honest creditors ?

Mr. B. R. Puri : May I understand, Sir, that people in Bengal
5 P.M. advance money only to those people who are not capable of dying ? I would like to know that.

The Honourable Sir Bepin Behary Ghose : My friend, Mr. Puri, notwithstanding my great respect for him as a lawyer, is absolutely fallacious, because in ordinary cases, where people die, their heirs are bound by their ancestor's debts. This is a very simple point. I wonder that my friend, Mr. Puri, has put that question to me. Evidently, on account of his recent criminal practice, he has forgotten his civil law. (Laughter.)

Then about the sanctity of decrees : as some Honourable Members pointed out, in insolvency matters decrees are liable to be re-opened. One of my Honourable friends quoted from Halsbury, but he might have quoted without going so far afield insolvency laws passed by the Indian Legislature. Decrees may be re-opened, but an honest decree-holder has no reason to fear, because he will be able to point out and say : " Here, Sir, is my decree, which is an honest decree ". Why so much profuse tears are being shed by my friend, Mr. Puri, with all the eloquence, which a renowned advocate like my friend commands, for a speculating creditor whose object it seems to be to catch an improvident waster in his net and gamble on the continuance of his life, I cannot understand. It is really a matter of wonder to me. Yes, Sir, decrees have their sanctity, but, as I have pointed out, in insolvency matters decrees can be re-opened....

Mr. B. R. Puri : By whom ?

The Honourable Sir Bepin Behary Ghose : They can be re-opened by the Receiver.

And, in this case, although the decrees may be re-opened, there is an appeal, and a second appeal, and we have given an assurance through my friend, Mr. Glancy, that decrees should be taken as *prima facie* evidence of the correctness of the debt, and that was in accordance with the opinion of several members of the Select Committee, and if I may say so without any disrespect to any person, we had a Select Committee as strong as this House could provide. There were men of all shades of opinion, and all of them discussed the Bill clause by clause and sometimes had great discussions about certain matters connected with the Bill, and after full consideration the Report is an unanimous one. Only an opinion was expressed by some Members, about which I gave them an assurance, that that opinion would be respected. I don't think I need say anything further about the solemnity of the decrees. I am quite sure, my friend, Mr. Puri, has not read the judgments. I do not know whether those were supplied in his brief. In the judgment of Sir George Rankin, which was affirmed by Their Lordships of the Privy Council,—the judgment, being delivered by Lord Macmillan,—it is said that the lien which was declared would *ipso facto* fall to the ground as soon as the Secretary of State takes possession. If I may read one passage from the judgment of Sir George Rankin, who adorns the Calcutta Bench as Chief Justice, this is what he says :

“ As regards the course of extravagance by which a Nawab might cripple himself anticipating the future income to accrue in his own lifetime, it appears to me that contingency is one of the things contemplated by the concluding provision, a provision which enables the Secretary of State to step in if by a course of extravagance the Nawab of the day should disable himself from duly maintaining his dignity and position ”.

Mr. B. R. Puri : You cannot go behind the Indenture.

The Honourable Sir Bepin Behary Ghose : These interruptions do no good. I would ask my friend, Mr. Puri, with all the respect that I owe to him, to go through these judgments, to go through the laws, and then say that this is not right. Of course, as a radical he is entitled to say : “ Wipe out these ancient families, wipe out the Nawab of Murshidabad ”, but that is another question. So long as there is the policy of the British Government which maintains the Zamindars—I think, as I have said, it is a question of gratitude in the case of the Nawab of Murshidabad, because he gave the British Government the first foothold in India—I should say,—so long as there is this policy of the British Government, we must protect these noblemen. This legislation, I submit, Sir, is necessary, and I have nothing to say further. (Applause.)

Mr. President (The Honourable Sir Shanmukham Chetty) : The question is :

“ That the Bill, as amended, be passed.”

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Friday, the 15th September, 1933.

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